TeliaSonera’s Corporate Responsibility Report 2009 outlines what we have achieved during 2009, and indicates our ambitions for the coming years.

The previous CR Report was published in March 2009. Since 2004, TeliaSonera applies the Global Reporting Initiative (GRI) guidelines for reporting on corporate responsibility. The 2009 CR Report content reflects the CR issues that have been identified as being the most material for TeliaSonera and its stakeholders in the materiality analysis, based on input from both internal and external stakeholders.

Management information and narrative information on strategies and initiatives contains information from all operations within the TeliaSonera Group, except associated companies. During 2009, we made further progress in consolidating corporate responsibility information from the whole group.

However, the system for reporting and consolidating key CR indicators for majority-owned businesses is still under development. Therefore the degree of completeness varies. 100 percent of the human resources data represents entities covered by the report, while the environmental data is estimated to cover up to 80 percent of the group. The work to achieve the same standards for reporting across the organization continues.

TeliaSonera CR Report is intended to respond to internal and external stakeholders’ quest for information and increased transparency regarding the sustainability work.

For more information on data collection process and changes in methods as well as CR report target group, see About the CR report.
Letter from the CEO

Services that contribute to society
TeliaSonera’s core business is to provide people and businesses with opportunities to communicate with each other and connect to the rest of the world in an easy, efficient and environmentally friendly way. We are present in 20 markets with millions of subscribers.

Our services drive growth, competitiveness and contribute to a more open society, by providing possibilities for more people to communicate.

TeliaSonera’s vision is to be a world-class service company and contribute to a world with better opportunities for people and businesses. This also means that we have to deal with important and sensitive issues in our daily work – ranging from fair business practices – to freedom of speech – and the right to privacy and integrity.

New Code of Ethics and Conduct
In 2009, we revised our vision and reinforced our shared values. Our actions are based on a firm set of values and business principles, and we have started the implementation of a group-wide Code of Ethics and Conduct, to provide guidance for all employees in our day-to-day work.

A good corporate citizen
I am also pleased that we have regained our position in the global FTSE4Good responsible investment index. Corporate responsibility is important to us, because it creates value for our customers, employees and our shareholders. It is essential that TeliaSonera is regarded as a responsible employer – a good corporate citizen – and a company that meets globally recognized standards.

We made good progress in 2009 and our intention is to continue on this journey. We have a group-wide approach, engage in stakeholder dialogue and aim for continuous improvement – this is the only way we can reach our goal of becoming a world-class service company and a good corporate citizen.

Welcome to take a closer look at our business.

Lars Nyberg
President and CEO
## Objectives, achievements, ambitions

### Overall

<table>
<thead>
<tr>
<th>Objectives 2009</th>
<th>Achievements 2009</th>
<th>Ambitions 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group CR strategy</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revise TeliaSonera Group CR approach and policies</td>
<td>Group Code of Ethics and Conduct introduced</td>
<td>Implementation across TeliaSonera’s operations and supply chain</td>
</tr>
<tr>
<td><strong>Material issues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Validate key priorities for CR work</td>
<td>Group level stakeholder and materiality analysis performed</td>
<td>Group level materiality analysis results complemented with local risk and opportunity analysis</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Start integrating into group CR reporting</td>
</tr>
<tr>
<td>Revise Group risk management approach</td>
<td>Strengthened risk management process and inclusion of CR related risks</td>
<td>Ensure integration of material CR risks in risk management processes and reporting</td>
</tr>
<tr>
<td><strong>Stakeholders</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improve transparency in communication of CR work</td>
<td>CR reporting on material issues, including wholly-owned and majority-owned operations</td>
<td>Improve reporting capabilities on material issues and engage in proactive stakeholder dialogues</td>
</tr>
<tr>
<td>Improve understanding of investors’ expectations of CR</td>
<td>Engagement in stakeholder dialogues, sustainability ratings – Regained position in FTSE4Good – Re-included in Banco Ethical Fund</td>
<td>Support local stakeholder dialogues Invite to stakeholder dialogue and discussions to gain feedback on 2009 CR Report</td>
</tr>
</tbody>
</table>

### Customers

<table>
<thead>
<tr>
<th>Objectives 2009</th>
<th>Achievements 2009</th>
<th>Ambitions 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improve customer satisfaction score towards long-term target of 77</td>
<td>EPSI group average for Nordic and Baltic 67.6 Eurasia 80.6</td>
<td>Long-term EPSI target 77</td>
</tr>
<tr>
<td>Continue to work with privacy</td>
<td>Materiality analysis results emphasize privacy as a prioritized issue</td>
<td>Review group approach to privacy issues; policies, processes, compliance Review group approach to responsible marketing</td>
</tr>
</tbody>
</table>

### Employees

<table>
<thead>
<tr>
<th>Objectives 2009</th>
<th>Achievements 2009</th>
<th>Ambitions 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduce group-wide performance management system</td>
<td>300 managers included in performance management system</td>
<td>Continue step-wise expansion of performance management system to include all employees by 2011</td>
</tr>
</tbody>
</table>

### Suppliers

<table>
<thead>
<tr>
<th>Objectives 2009</th>
<th>Achievements 2009</th>
<th>Ambitions 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training of sourcing team to handle CR issues</td>
<td>100 percent sourcing managers trained in CR and use of CR assessment tools</td>
<td>Continue sourcing team CR competence development and training</td>
</tr>
<tr>
<td>Start including new CR requirements in supplier agreements</td>
<td>70 percent of group purchasing volumes covered by CR requirements</td>
<td>100 percent new and renegotiated Group Sourcing agreements incl. CR requirements Develop Supplier Code, strengthen risk-based supplier assessment process and improve tools</td>
</tr>
</tbody>
</table>

### Environment

<table>
<thead>
<tr>
<th>Objectives 2009</th>
<th>Achievements 2009</th>
<th>Ambitions 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extend environmental commitment to all markets</td>
<td>Group Code of Ethics and Conduct including environmental commitment</td>
<td>Support country specific awareness building, implementation, target setting, reporting</td>
</tr>
<tr>
<td>Include reporting of environmental performance of majority-owned operations</td>
<td>80 percent of wholly-owned and majority-owned operations reporting on environmental performance</td>
<td>Strive to establish group-wide environmental performance targets and 100 percent reporting of wholly-owned and majority-owned operations</td>
</tr>
</tbody>
</table>
## Key CR indicators

<table>
<thead>
<tr>
<th>Economic impact at Dec 31</th>
<th>2009</th>
<th>2008</th>
<th>2007</th>
<th>Change % from previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>TeliaSonera Group net sales, MSEK</td>
<td>109,161</td>
<td>103,585</td>
<td>96,344</td>
<td>5.4</td>
</tr>
<tr>
<td>Income taxes, MSEK</td>
<td>6,334</td>
<td>4,969</td>
<td>4,953</td>
<td>27.5</td>
</tr>
<tr>
<td>Total personnel expenses, MSEK</td>
<td>14,806</td>
<td>15,056</td>
<td>13,477</td>
<td>-1.7</td>
</tr>
<tr>
<td>Goods and subcontracting services purchased, MSEK</td>
<td>16,625</td>
<td>16,016</td>
<td>17,271</td>
<td>3.8</td>
</tr>
<tr>
<td>Investment in infrastructure (CAPEX), MSEK</td>
<td>14,007</td>
<td>15,795</td>
<td>13,531</td>
<td>-11.3</td>
</tr>
<tr>
<td>Market capitalization, MSEK</td>
<td>233,000</td>
<td>175,000</td>
<td>272,000</td>
<td>33.1</td>
</tr>
<tr>
<td>Dividends paid to owners of parent company, MSEK</td>
<td>8,083</td>
<td>17,962</td>
<td>28,290</td>
<td>-55</td>
</tr>
<tr>
<td>Shares held by PRI signatories, %</td>
<td>11</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Employees</th>
<th>2009</th>
<th>2008</th>
<th>2007</th>
<th>Change % from previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of employees Dec 31</td>
<td>29,734</td>
<td>32,171</td>
<td>31,292</td>
<td>-7.6</td>
</tr>
<tr>
<td>Women in the workforce, %</td>
<td>44</td>
<td>44</td>
<td>44</td>
<td>0</td>
</tr>
<tr>
<td>Women in senior management, %¹</td>
<td>36</td>
<td>32</td>
<td>23</td>
<td>12.5</td>
</tr>
<tr>
<td>Women in the board, %</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td>0</td>
</tr>
<tr>
<td>Number of managers included in Performance Management</td>
<td>300</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Employee commitment score (ECS), survey conducted in five Nordic/Baltic countries</td>
<td>68</td>
<td>63</td>
<td>61</td>
<td>7.9</td>
</tr>
<tr>
<td>Employee commitment score (ECS), survey conducted in eight Eurasian countries</td>
<td>88</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Number of employees trained in revised Group Code</td>
<td>760</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Number of occupational injuries</td>
<td>45</td>
<td>63</td>
<td>74</td>
<td>-28.6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Customers</th>
<th>2009</th>
<th>2008</th>
<th>2007</th>
<th>Change % from previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of subscriptions, millions³</td>
<td>148</td>
<td>136</td>
<td>117</td>
<td>8.8</td>
</tr>
<tr>
<td>Total number of subscriptions, wholly-owned and majority-owned operations, millions</td>
<td>48.5</td>
<td>43.5</td>
<td>36</td>
<td>11.5</td>
</tr>
<tr>
<td>Customer satisfaction (EPSI), survey conducted in five Nordic and Baltic countries</td>
<td>67.6</td>
<td>68</td>
<td>67.3</td>
<td>-1.5</td>
</tr>
<tr>
<td>Customer satisfaction (EPSI), survey conducted in three Eurasian countries</td>
<td>80.6</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Environmental impact</th>
<th>2009</th>
<th>2008</th>
<th>2007</th>
<th>Change % from previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchased electricity consumption in MWH</td>
<td>1,000,868</td>
<td>920,453</td>
<td>789,501</td>
<td>-²</td>
</tr>
<tr>
<td>Renewable electricity, %</td>
<td>64</td>
<td>73</td>
<td>63</td>
<td>-²</td>
</tr>
<tr>
<td>Waste, metric tons</td>
<td>35,643</td>
<td>26,701</td>
<td>–</td>
<td>-²</td>
</tr>
<tr>
<td>Direct and Indirect CO₂ emissions (Scope 1 and 2), metric tons CO₂</td>
<td>178,911</td>
<td>112,721</td>
<td>75,752</td>
<td>-²</td>
</tr>
<tr>
<td>Business travel (part of Scope 3), metric tons CO₂</td>
<td>11,630</td>
<td>16,024</td>
<td>21,338</td>
<td>-²</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Suppliers</th>
<th>2009</th>
<th>2008</th>
<th>2007</th>
<th>Change % from previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sourcing managers trained in CR and ethics, %</td>
<td>100</td>
<td>26</td>
<td>–</td>
<td>385</td>
</tr>
<tr>
<td>Group sourcing purchasing volume covered by new CR requirements, %</td>
<td>70</td>
<td>30</td>
<td>–</td>
<td>233</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Society</th>
<th>2009</th>
<th>2008</th>
<th>2007</th>
<th>Change % from previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total social investment, MSEK</td>
<td>45,287</td>
<td>63,537</td>
<td>–</td>
<td>-28.7</td>
</tr>
</tbody>
</table>

¹ Senior management includes members of the board, presidents and other members of executive management teams at corporate, business area or company levels.
² Not comparable due to updated scope and new region added in 2009.
³ Including wholly-owned and majority-owned operations and associated companies.
Our approach to CR

TeliaSonera’s core business is to offer services that help people and companies communicate in a simple, effective and environmentally friendly way. Our approach to corporate responsibility is aligned with our business strategy and priorities, and part of every employee’s daily work. Across our operations, we face risks and opportunities that need to be addressed to ensure that our business is conducted responsibly. This, we believe, contributes to the long-term sustainable growth of our business and to the development of the societies we operate in.

Global strategy and local action

TeliaSonera is an international group with a global strategy, but wherever we operate we act as a local company.

CR governance is integrated into our strategic and group-wide approach. We act in accordance with TeliaSonera’s shared values and Code of Ethics and Conduct. Throughout the group, we promote our values and strive for continuous progress.

In TeliaSonera, we depend on our employees to implement our principles into every day actions. By being responsive to the expectations of our stakeholders, TeliaSonera has earned the reputation of being a responsible employer – a good corporate citizen – and a company that meets globally recognized standards.

Our CR Governance

CR is part of the ordinary line organization responsibility. The corporate governance model frames the operational implementation and describes roles and responsibilities. The TeliaSonera Board has ownership of the Code of Ethics and Conduct and reviews it and other policies annually. On Group Management level, the Head of Group Communications is responsible for CR issues. The Head of Corporate Responsibility, who reports to the Head of Group Communications, is responsible for planning, coordinating, and handling overall CR issues in the Group.

Day-to-day activities are integrated with each manager’s and employee’s responsibility. There is also a CR network with representatives from the wholly-owned and majority-owned companies.

Aligning CR priorities with business goals

A comprehensive stakeholder and materiality analysis performed during the year has helped to identify future CR priorities in order to address the most material issues for our business, contributing to long-term sustainable growth.

Customer privacy and network integrity, leadership and employee competence, fair business practices, access to communication services and protecting children online, form the most material areas for TeliaSonera to address in our CR work.

Increased openness and transparency

As an expressed ambition, TeliaSonera gained re-inclusion in the internationally recognized sustainability index FTSE4Good and we were reinstated into the Banco Ethical Fund.

Key achievements 2009

Group-wide approach addressing future CR priorities

In TeliaSonera we are well on the way to implementing the performance management system, rolling out the revised group-wide Code of Ethics and Conduct, and extending the corporate governance model to all operations where TeliaSonera has management control.

The CR requirements for suppliers, introduced in 2008, are now included in more than 70 percent of Group Sourcing purchased volumes.

Our CR compass points to the relevant priorities ahead, addressing CR issues that are material for our business, including both risks and opportunities.

We will continue to engage internal and external stakeholders and to communicate transparently about our efforts across our wholly-owned and majority-owned operations.

Adding value to our customers

TeliaSonera’s vision is to be a world-class service company and contribute to a world with better opportunities for people and businesses. To achieve this, we must deliver high-quality, safe services that offer good value for money.
Our long-term goal is to be among the best rated service companies with highly satisfied customers. If measured by the European Performance Satisfaction Index (EPSI), this equates to reaching a score of 75, but we have set our long-term target even higher, at 77.

Currently the group average result is 67.6 for Nordic and Baltic operations, and 80.6 for the three Eurasian countries, included for the first time. In 2009, we focused on improving monitoring systems to better understand our customers’ needs and to improve the quality of our customer service.

**Employees are key to our success**

As part of our ambition to be a world-class service company with customer experience at the core, TeliaSonera puts a lot of effort into the recruitment, training and development of our employees. We depend on their skills, knowledge and experience to ensure continued success for TeliaSonera.

Throughout the year we continued implementing the performance management process which helps to promote and optimize performance and progress. It stimulates motivation and offers opportunities for employees to develop and grow, which in turn helps move the organization forward.

Our employee satisfaction survey ECS, Employee Commitment Score, reached an all-time high level of 68 in the wholly-owned companies, following a continuing upward trend. In the eight Eurasian markets, we reached a score of 88.

TeliaSonera also completed a two year cost savings program in 2009, with restructuring processes affecting 2,900 employees in Sweden and Finland. TeliaSonera offered generous conditions to the employees who were made redundant and supported them in finding new jobs outside the company.

**Sustainable services help to tackle climate change**

Modern communication technology can offer environmentally sound alternatives in the day-to-day lives of people and businesses. TeliaSonera strives to minimize the environmental impact of our own operations while we can help customers by providing solutions to reduce their environmental impact.

During 2009, we increased our own usage of teleconferencing and videoconferencing services as a substitute for business travel.

In Finland and Sweden, the number of videoconference meetings tripled, travel cost decreased by 43 percent and as a result of this, CO2 emissions were reduced by 32 percent.

For our wholly-owned operations, we also continued to report on our environmental performance in the Carbon Disclosure Project (CDP), where TeliaSonera ranked number one in the Nordic countries and number two globally among telecom operators.
CR embedded in vision and strategy

TeliaSonera provides network access and telecommunication services that help people and companies communicate in an easy, efficient and environmentally friendly way. We create value by focusing on delivering a world-class customer experience, securing quality in our networks and achieving a best-in-class cost structure. TeliaSonera is an international group with a global strategy, but wherever we operate we act as a local company, identifying and working with local risks and opportunities.

To act as one company, the vision and values are essential in providing overall direction and guidance to all managers and employees in TeliaSonera.

In 2009, we reviewed the group-wide approach and formulated the vision ahead. During the year we also adopted a group-wide Code of Ethics and Conduct to set out the principles we adhere to in our operations and describing how every TeliaSonera employee is expected to act in relation to different stakeholders.

Building on our shared values

Our shared values form the foundation of our everyday work.

Add value
The key to adding value lies in being customer focused and business minded. Being innovative and acting as pioneers is part of our heritage. We strive to share knowledge and collaborate in teams and across borders, as well as use our resources efficiently. We take ownership, follow up and give feedback to ensure that we foster simple and sustainable solutions that add value to our customers.

Show respect
We show trust, courage and integrity. Our employees’ knowledge and diversity are highly valued, and we are all responsible for creating a good working climate. We treat others the way we want to be treated, in a professional and fair manner. Customer privacy and network integrity are carefully protected, and we always act in the best interest of our customers and the company.

Make it happen
We make decisions to drive development and change. Planning and fast implementation are crucial. We foster a lively business climate where everyone can contribute, and we make use of our employees’ competence and commitment. Our customers should experience that it is easy and rewarding to do business with us, and recognize that we deliver on our promises.

TeliaSonera vision leading the way forward

The TeliaSonera vision sets out our ambitions and goals for the future. It emphasizes leadership and business growth without compromising TeliaSonera’s or our customers’ integrity, upholding high ethical standards so that we can continue to be a contributor to a world with better opportunities.

TeliaSonera’s vision

TeliaSonera is a world-class service company recognized as an industry leader.

We are proud of being pioneers of the telecom industry, a position we have gained by being innovative, reliable and customer friendly.

We act in a responsible way, based on a firm set of values and business principles.

Our services form a major part of people’s daily lives – for business, education and pleasure. Thereby, we contribute to a world with better opportunities.
Group-wide approach in revised code
The TeliaSonera Code of Ethics and Conduct, adopted in 2009 by the Board of Directors, provides guidance on how all employees can ensure we live up to our reputation.

TeliaSonera has a long history of success as a result of fair and ethical business practices. In all countries where the company operates, TeliaSonera has earned a reputation of trust and reliability. We support international standards on human rights, labor conditions, the environment and anti-corruption.

Wherever we operate, we act as a local company, identifying and working with local business risks and opportunities. It is our objective to be a clean company and a good corporate citizen, living by the letter and spirit of the law.

The TeliaSonera Code of Ethics and Conduct builds on our shared values and outlines how we interact with different stakeholders; customers, business partners, competitors, co-workers, shareholders, governments and regulatory bodies, as well as with the local communities in which we operate.

Each employee is responsible for acting in accordance with the Code in day-to-day operations, and is encouraged to voice concerns and highlight examples of good practice as well as to report misconduct and violations.

The Code is translated into 21 languages to facilitate dissemination and understanding throughout our operations across all markets. All operations covered by the Code will be regularly reviewed.

TeliaSonera is working towards adopting the principles of the Code into all the operations in which we have ownership interests and we encourage our suppliers to adhere to similar ethical standards in their operations.

The Code covers a broad range of issues that are relevant in our interactions with stakeholders, including but not limited to:
- Privacy and network integrity
- Responsible marketing
- Labor and human rights
- Fair business practices
- Transparency
- Fair competition
- Corporate citizenship
- Electromagnetic fields
- Political involvement
- Environmental impact

The TeliaSonera Code process
The group-wide Code of Ethics and Conduct is the result of a process initiated in 2008 by TeliaSonera Group Management. Various internal and external stakeholders contributed to the process with extensive Group Management engagement throughout the process.

The revised Code has replaced the earlier CSR policy and separate Code-policies for wholly-owned or majority-owned operations, and instead emphasizes a shared group-wide approach to corporate responsibility.

In July 2009, the Code was approved by the Board of Directors of TeliaSonera. The Board has ownership of the Code and performs regular content and compliance reviews, but the day-to-day reinforcement and compliance follow-up is part of every manager’s responsibility.

At the Management Summit in November 2009, the Code was introduced to 80 international top managers of the TeliaSonera Group.

The way forward
Striving to implement the Code throughout the group, TeliaSonera has formulated a number of objectives to be achieved by the end of 2010:
- All employees aware of the Code and its content
- Part of group-wide induction program for new employees
- Implemented in all wholly-owned and majority-owned operations
- Introduced to associated companies
- Suppliers made aware of the Code and its principles
- Implementation and follow-up processes established

Download full version of TeliaSonera Code of Ethics and Conduct.
Materiality analysis reveals risks and opportunities

During 2009, TeliaSonera performed a comprehensive stakeholder and materiality analysis to ensure that our CR work addresses and focuses on the issues that are most material to our business. We also wanted to strengthen our perspective of CR related risks and opportunities, to ensure that we have a systematic approach to addressing these, both at the group level and locally in the business units.

Materiality analysis provides important input to future direction of CR work

Based on different stakeholders’ interests in – and impact on – TeliaSonera’s operations, the results were weighted to generate an overall view of the issues that are most material for TeliaSonera to address over the next few years. We found moderate differences between internal and external expectations.

Many of the issues of the materiality analysis present both risks and opportunities. The following six key issues were identified as the most material to TeliaSonera and are prioritized for all markets:

- **Long-term sustainable growth**
  As an overarching principle, TeliaSonera is expected to generate quarterly profits while ensuring long term sustainable growth. Therefore, we must have a balance to ensure that quarterly goals do not compromise on long-term value creation.
  Addressing and integrating the material CR issues into daily operations will contribute to the long-term success of TeliaSonera.

- **Leadership and employee competence**
  The employees of TeliaSonera are key to our success. To ensure world-class service and high-quality products we must attract and retain talented employees.
  TeliaSonera must effectively govern competence development and performance management to ensure that employees’ competence matches business needs in all markets and to strengthen TeliaSonera’s attractiveness to future employees.

- **Privacy and network integrity**
  Telecommunication services help people to instantaneously access information, and encourage transparency. At the same time these services can be abused as a means for repression.
  Collecting, processing and retaining customer data must be conducted in a reliable way, adhering to strict standards to prevent unauthorized access to customer data and to protect human rights such as freedom of expression.

- **Fair business practices**
  TeliaSonera has a long history of fair and honest business practices. We must systematically govern compliance with high ethical standards of business conduct in all markets.
  This applies to all relations and transactions within our own organization and in relations to suppliers and business partners.

- **Digital inclusion**
  Bringing telecommunication services to new markets and meeting customer needs in all markets by providing affordable products and developing information and communication technology (ICT) skills, present the most important opportunities for TeliaSonera going forward.
  By acting as a trusted partner, increasing coverage and bridging the digital divide, TeliaSonera contributes to a world with better opportunities and a more inclusive society while strengthening conditions for sustainable growth of our business.

- **Protecting children online**
  TeliaSonera works to prevent our services from being used as a vehicle for child sexual abuse online, building awareness, providing tools and blocking sites containing child sexual abusive images, collaborating with authorities and reputable organizations.
  TeliaSonera shows leadership in developing and promoting tools for children’s safe use of the internet.

These six issues being rated as very important in the materiality analysis, the following five were also ranked as of high importance.

- **Responsible supply chain**
  Ensuring human and labor rights are respected along the supply chain, including the effective abolition of child labor, together with ethical business practices and environmental stewardship.

- **Responsible marketing**
  Providing the market with clear pricing models, balanced product information and sound marketing practices related to content and when addressing minors.

- **Responsible employer**
  Providing a safe and healthy working environment, striving for employees’ well-being and acting responsibly in restructuring processes. Promoting equal opportunities and diversity in the workplace.

- **Environmental impact, climate change**
  Commitment to environmentally sustainable practices in own operations and promoting environmentally friendly services to customers. Focus on energy efficiency, reducing CO₂ emissions and managing waste.

- **Mobile devices, masts and health**
  Recognizing and responding to concerns over the potential health effects of mobile phones and masts, providing clear information and supporting research.
TeliaSonera is committed to working with these CR issues. Going forward, this report will address how TeliaSonera is working to address risks and capturing opportunities aligned with these material issues. Reflecting the strategy and different development stages across markets, the order of priority and local measures to address the issues may vary.

**Stepping up priorities**

TeliaSonera’s CR strategy in recent years has focused on four key areas identified as being the most relevant in relation to our business priorities:

- Bridging the digital divide
- Meeting the demand for sustainable communication services
- Becoming a world-class service company
- Maintaining high ethical standards in all our markets

The results of the materiality analysis show that these key areas are relevant, but the analysis narrowed the scope, identifying specific aspects within these areas, giving them slightly different priorities. Some areas that were not included as CR priorities have been added.

For example, the privacy issues that TeliaSonera addressed as part of the efforts to become a world-class service company, need a separate focus, as is also the case for fair business practices within our own operations and along the supply chain.

Leadership, employee competence development and performance management were rated among the highest priorities for future success, complementing the responsible employer practices related to health, safety and well-being.

The results also show that while TeliaSonera is expected to show a satisfactory environmental performance, the environmental issues currently fall outside the absolute top prioritized issues.

This is a reflection of the diversity across our markets; while the Nordic and Baltic countries are at the forefront in environmental engagement, most of the emerging markets are still building up their capabilities to address the environmental issues.

**Review process involving internal and external perspectives**

The purpose of the materiality analysis performed in 2009 was to validate the strategic direction of TeliaSonera’s CR work and to define its future direction. In the process, we have taken into consideration both internal and external perspectives.

The internal aspects of the materiality process started by reviewing the existing foundation in comparison with the new Code of Ethics and Conduct, complemented by Group Management interviews and in-depth analyses of relevant research data gathered from customer, employee and investor surveys.

Alongside the internal process, TeliaSonera engaged in efforts to gather external perspectives with impact on the direction of the CR work.

A number of dialogue meetings on sustainability issues were held with the responsible investment community and non-governmental organizations (NGO’s), general sustainability trends were analyzed, best practices among peers were benchmarked and the results of our stakeholder survey performed in the autumn of 2009 were analyzed. The stakeholder survey included respondents from our supply chain partners, the financial community, trade unions and NGO’s.

Internal and external insights were discussed, analyzed and prioritized in workshops with representatives from different TeliaSonera business areas and markets. The outcome of this work marks the revised focus for our group-wide CR approach and provides a framework to address the right issues in a uniform way.

In 2010, the work will continue by applying the group materiality framework at local business unit level, addressing the relevant risks and opportunities of each market.

---

**Materiality analysis**

**Most material issues**

- Sustainable growth
- Leadership and competence
- Privacy and integrity
- Fair business practices
- Digital inclusion
- Children online
- Responsible supply chain
- Responsible marketing
- Responsible employer
- Environmental impact
- Devices, masts and health

*Based on different stakeholders’ interests in – and impact on – TeliaSonera’s operations, the results were weighted to generate an overall view of the issues that are most material for TeliaSonera to address over the next few years.*
Risk management and governance

TeliaSonera's management of corporate responsibility related risks was reinforced during 2009. The revised group-wide Code of Ethics and Conduct provides a foundation for a more integrated approach. A materiality analysis has been conducted, providing a strengthened view on group-wide corporate responsibility risks and opportunities. Further integration of CR risks into risk management processes and reporting will continue during 2010.

Group-wide governance framework

Governance of CR issues is integrated in the group-wide governance framework of TeliaSonera. This framework complies with the best-practice standards of the Swedish Code of Corporate Governance which applies to all public companies listed on the NASDAQ OMX Stockholm.

The Board of Directors of TeliaSonera approved the revised Code of Ethics and Conduct in 2009. Management at all levels is responsible for ensuring that the Code is implemented and observed in daily operations.

On Group Management level, the Head of Group Communications is responsible for CR issues and the Head of Corporate Responsibility, who reports to the Head of Group Communications, is responsible for planning, coordinating, and handling overall CR issues in the group. Day-to-day activities are integrated with each manager's and employee’s responsibility.

Risks and corporate responsibility

The risk section in TeliaSonera’s Annual Report 2009 provides an overview of the general risks identified in relation to the business.

The overview covers risks related to industry and market conditions, operations and strategic activities, associated companies and joint ventures and risks related to owning TeliaSonera shares.

TeliaSonera’s operations are also exposed to specific CR related risks. As a part of an externally aided materiality analysis, TeliaSonera has identified and prioritized key CR issues that are prerequisites in contributing to sustainable growth and profits. The most material issues from a risk perspective include:

- Ensuring privacy- and network integrity
- Upholding fair business practices
- Protecting children online
- Sourcing from a responsible supply chain
- Ensuring health and safety

In this CR Report we describe how we address these issues in respect to our various stakeholders.

Group risk management

Risk management in TeliaSonera includes all aspects of risks that could have material adverse effect on the achievement of TeliaSonera’s goals. This involves financial risks, operational risks, regulatory risks and country risks, including political risks.

The involvement of the business units in the process is essential to identify significant local risks. The units are responsible for setting up systems for reporting and developing action plans to address these risks. While this is increasingly being put into practice also with regard to CR risks, it is an area that TeliaSonera will continue to strengthen in 2010.

To monitor and follow-up on how risks are addressed and what actions are ongoing, there are a number of check points during the year.

Risks are being reported and monitored as part of quarterly business reviews. Group-level risks are monitored by the Board of Directors in quarterly risk reports. Main risk areas are summarized in the Report of Directors and in the Notes to the Financial Statements in the Annual Report.

Systematic approach to CR risks in all markets

Wherever we operate, TeliaSonera is committed to uphold high standards of corporate responsibility. We do not accept corruption, expect human and labor rights to be respected and environmental regulations to be met.

Our approach is based on assessing each risk area with regard to the telecom industry as a whole within the specific country.

The risk assessment includes material issues identified in TeliaSonera’s risk map in broad areas of human and labor rights, corruption and the environment. Based on the group-level risk profile, the local business units are to evaluate the relevance and critical impact on their respective operation.

As part of TeliaSonera’s overall efforts to make business units increasingly involved in transforming the CR commitments into practice, a focus area for improvement in the next few years is to ensure appropriate systems are in place.

Entering a new market

When entering a new market, risks are assessed as part of the due diligence process. TeliaSonera makes a long term commitment to every new market we enter, with extended investment plans.

Based on the research of external experts and dialogue with supranational authorities, such as foreign embassies, the World Bank, the European Bank for Reconstruction and Development (EBRD) and the International Finance Corporation (IFC) a range of factors such as government structure, international relations and law enforcement standards, are taken into consideration.

TeliaSonera will not enter countries that are investment sanctioned by the United Nations or European Union, but may enter countries with shifting political stability, provided that we can conduct our business in an ethically and financially sound way.

We believe telecommunication services drive growth and prosperity, encourage transparency and enhance long-term...
sustainable development in these societies. Every merger and acquisition decision to enter a new market requires approval by the TeliaSonera Board of Directors.

Supply chain management
Along the supply chain, TeliaSonera is predominantly purchasing from a limited number of large strategic global suppliers, with leading corporate responsibility practices. In emerging markets, TeliaSonera is also partnering with these strategic suppliers, ensuring high quality processes and corporate responsibility for the majority of the purchases made.

Risks related to smaller local suppliers are assessed as part of the purchasing process and controlled via strict management practices and financial control systems; such as SAP’s approval workflow which is applied across all wholly-owned and majority-owned operations.

Results of CR risk assessments
TeliaSonera’s operations are exposed to some increased risks, calling for stringent measures to ensure that CR standards are consistent across the group’s operations. The most relevant findings concern human rights and corruption.

Human rights
For the telecom industry, human rights are assessed to pose high risk. TeliaSonera’s aim is to ensure that we are not violating or complicit in violations of human rights.

The main risks include complicity in human rights violations due to failures to uphold customer privacy and network integrity, the risk of telecom services being used as a vehicle for exploitation of children, or Electromagnetic Fields (EMF) health and safety issues.

Relying on independent organizations such as Freedom House and Amnesty International’s ratings and research reports as references, the table below summarizes the TeliaSonera countries of operations and risk levels with regard to human rights.

Corruption
Corruption is assessed to pose a high risk to the telecom industry based on internationally reputed anti-corruption organization Transparency International’s research on governance practices across industries in 2009. This includes the risk of illegitimate financial transactions or inappropriate political contributions to governmental parties or authorities in connection with license negotiations.

Using the Transparency International Corruption Perception Index as a reference, the table below summarizes the TeliaSonera countries of operations and risk levels with regard to corruption.

Scope of control
In addressing the risks across TeliaSonera’s operations, our sphere of control has an important role. As part of TeliaSonera’s risk management we exercise control over our wholly-owned and majority-owned operations.

In associated companies TeliaSonera relies largely on these companies’ individual risk and control structures. This is the case with Russian MegaFon and Turkish Turkcell. In these companies, TeliaSonera strives to use board presence and active ownership practices to promote the implementation of stringent standards and governance.

Turkcell has been listed on the New York Stock Exchange (NYSE) and the Istanbul Stock Exchange (ISE) since 2000, and is the only NYSE-listed company in Turkey.

<table>
<thead>
<tr>
<th>Country risk levels for human rights and corruption</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Wholly-owned and majority-owned operations</strong></td>
</tr>
<tr>
<td>Sweden</td>
</tr>
<tr>
<td>Finland</td>
</tr>
<tr>
<td>Norway</td>
</tr>
<tr>
<td>Denmark</td>
</tr>
<tr>
<td>Estonia</td>
</tr>
<tr>
<td>Latvia</td>
</tr>
<tr>
<td>Lithuania</td>
</tr>
<tr>
<td>Spain</td>
</tr>
<tr>
<td>Moldova</td>
</tr>
<tr>
<td>Nepal</td>
</tr>
<tr>
<td>Georgia</td>
</tr>
<tr>
<td>Uzbekistan</td>
</tr>
<tr>
<td>Azerbaijan</td>
</tr>
<tr>
<td>Cambodia</td>
</tr>
<tr>
<td>Kazakhstan</td>
</tr>
<tr>
<td>Tajikistan</td>
</tr>
</tbody>
</table>

¹ The rating reflects an overall judgment based on survey results and global events from January 1, 2009, to December 31, 2009. Source: Freedom in the world 2010 by Freedomhouse.
² The rating is based on the perceived levels of public sector corruption in 180 countries and territories. It is based on 13 independent surveys of experts and business persons, based both in the country and abroad. Source: Corruption perception index 2009 by Transparency International.
³ Refers to Turkcell’s subsidiaries in Ukraine and Belarus, in which Turkcell holds 55 percent and 80 percent, respectively.
⁴ TeliaSonera owns 38 percent of Turkcell in Turkey.
⁵ TeliaSonera owns 43.8 percent of MegaFon in Russia.

Mechanisms for monitoring compliance
As an important part of the risk management process TeliaSonera conducts quarterly business review meetings with business representatives. These quarterly meetings focus on financial and business reviews and risks, including CR related issues.

To control risks connected to fair business practices, preventive process controls are essential and effective in revealing inappropriate business practices.

All business units are subject to regular reviews by internal and external auditors. These reviews include assessing governance processes and systems, as well as compliance with corporate policies.

During 2009, the scope of the internal reviews has been extended to all units where TeliaSonera has management control. This has further strengthened the governance related to partly-owned entities.

A group-wide financial audit is performed for all material legal units to ensure financial accountability. In some regions, additional quarterly audits are conducted.

For all wholly-owned and majority-owned operations, TeliaSonera has implemented a structured, monthly process to monitor the financial performance and internal controls based on self-assessment.
Enhanced risk management in 2009

During the year, efforts were made to enhance the general risk management process and reporting system by improving the bottom-up risk reporting as well as by integrating a wider scope of risks into the risk management system.

With regard to CR risks, fundamental tools to raise awareness of such risks and how to address them are the revised TeliaSonera Group Code of Ethics and Conduct and the materiality work connected to this.

The whistle blowing system for reporting infringements of the Code of Ethics and Conduct will be further upgraded in 2010.

In conclusion, the risk management system has been strengthened during 2009 through:

- An integrated approach to risk management, with increased business unit involvement in local risk identification, reporting and handling plans
- A revised Group Code of Ethics and Conduct is being implemented to provide direction for all operations
- A materiality analysis, aided by external expertise, was performed to better identify and address the CR related risks
- The number of internal reviews has increased, now also including majority-owned operations where TeliaSonera has management control
Approach to stakeholder relations

Sound relations with our stakeholders are important in fostering TeliaSonera’s role as a trusted and reliable partner. Interactions with stakeholders in the market, with society and within our own operations are based on honesty and transparency.

Stakeholders across the group
TeliaSonera interacts with a variety of stakeholders both globally and locally within the scope of our operations, including customers, business partners, competitors, employees, shareholders, governments and regulatory bodies, as well as interacting with the local communities in which we operate.

TeliaSonera’s approach to stakeholder relations is based on our shared values; Add value, Show respect and Make it happen.

We are receptive to stakeholders’ views and expectations and believe in constructive dialogue to share and exchange experience and expertise.

We advocate free and fair trade, striving for forthright competition and ethical conditions within the legal frameworks of the countries in which we operate.

During 2009, TeliaSonera reviewed the group-level strategy for stakeholder dialogue with the ambition to strengthen ongoing dialogues and to become more proactive.

Identifying stakeholder expectations
By stakeholders TeliaSonera means individuals or groups who have an impact on our business, or who are affected by our activities, products or services.

Throughout 2009, the dialogue meetings with investors and NGO’s together with media exposure outlined the main issues of interest for external stakeholders.

In the fall of 2009, we performed a comprehensive stakeholder analysis to gain better insight into what different stakeholders regard as strengths and challenges for TeliaSonera moving forward, and how these issues affect our business goals of creating customer value. The survey included mainly stakeholders from:
- The investment community
- Supply chain partners
- NGO’s
- Trade unions

The survey gave insights into what different groups perceived as CR priorities for TeliaSonera, providing valuable input to our overall materiality analysis. For instance, TeliaSonera was recognized as an attractive and responsible employer, providing environmentally friendly services and protecting children. Areas for improvement included:
- CR risk management
- Having top management in firm control of CR work
- Supply chain management

Responding to stakeholder concerns
In 2008, TeliaSonera was challenged by external stakeholders to become more transparent on our practices across the emerging markets. Initially failing to respond to the information expectations, TeliaSonera was excluded from the FTSE4Good Index.

Following constructive dialogues during the year, TeliaSonera gained a better understanding for the information needs of the socially responsible investment (SRI) community, and has made considerable efforts to strengthen the communication and transparency with regard to our CR work across the whole of TeliaSonera Group.

As a result, TeliaSonera gained re-inclusion in the FTSE4Good responsible investment index and was reinstated in the Banco Ethical Fund in 2009.

Comments from our stakeholders
Some of the feedback from our stakeholders revealed interest in understanding the impact of TeliaSonera’s group-wide efforts in local contexts. For example, by better explaining the human rights situation in the countries of operation or how TeliaSonera contributes to digital inclusion of countries such as Nepal or Uzbekistan.

Another aspect that emerged from the survey was a desire to understand the general dilemmas and opportunities faced by the ICT sector as whole, and how TeliaSonera is working to address these. This includes more detailed information on results from monitoring and verification, for instance with regard to frequency of assessments and reviews of the supply chain.

Several stakeholders expressed an interest in learning more about TeliaSonera’s dialogue efforts with different stakeholders, asking for a systematic approach to stakeholder dialogues and transparency on the outcomes of them.

TeliaSonera values the input and will strive for a more transparent, proactive and constructive dialogue with stakeholders with even more effective reporting on material issues in the future.
Our stakeholders

**Customers**

Private, corporate and public sector customers.

**How we engage**
Customer experience and satisfaction measurements, trend report, customer care and service.

**Our ambition**
We strive to be the trusted, number one choice of current and potential customers, and aim to deliver high-quality and safe services that offer good value for money and contribute to our customers’ success. Maintaining customer privacy is of utmost importance to TeliaSonera.

**Employees**

Managers, full- and part-time employees, potential employees, trade unions.

**How we engage**
Employee commitment score, employee brand, mid and full year reviews, European Works Council.

**Our ambition**
TeliaSonera acknowledges that our employees are key to our success. Our aim is to be an attractive employer and strive to attract, develop and retain qualified and motivated people in a professional working environment.

**Authorities and civil society**

EU, national governments, regulatory bodies, industry organizations, NGOs.

**How we engage**
Regular dialogue and lobbying, reach out initiatives and campaigns, NGO dialogue.

**Our ambition**
TeliaSonera is committed to bridging the digital divide by developing infrastructure and services that are accessible across our markets. Our services drive growth and economic development by creating direct or indirect job opportunities and financially contributing to the societies in which we operate. Our objective is to be a long-term investor and a good corporate citizen.

**Suppliers and business partners**

Existing suppliers, contractors, potential suppliers, business partners.

**How we engage**
Annual reviews, vendor management, contracts, audits, assessments and surveys.

**Our ambition**
TeliaSonera strives to build a stable base of competitive and responsible suppliers. We focus on long-term, good business relations and healthy cooperation. We expect our suppliers and contractors to support international standards on human rights, labor conditions, the environment and anti-corruption.

**Owners and investors**

Private, institutional, ethical and public investors, financial institutions, rating agencies.

**How we engage**
Reporting, annual general meeting, capital market day, SFI assessments, investor meetings, stakeholder surveys.

**Our ambition**
TeliaSonera strives to be an attractive investment for a wide group of shareholders, and we aim for long-term, sustainable development of shareholder value. We inform our shareholders and the market of all major developments that affect the valuation of the company promptly, simultaneously and transparently.
Commitment to international standards and initiatives
TeliaSonera adheres to international standards for human and labor rights, sound environmental practices and principles for business ethics. Working with others, we promote sustainable practices across our industry and in the markets where we operate.

**International frameworks**

TeliaSonera supports the following international standards of corporate responsibility:
- OECD Guidelines for Multinational Enterprises
- ILO Core conventions
- UN Universal Declaration of Human Rights
- UN Global Compact’s principles

TeliaSonera supports the UN initiative Global Compact through our membership in ETNO, European Telecommunications Network Operators’ Association. Six companies are direct signatories of the national Global Compact Network:
- TEO and Omnitel in Lithuania
- Kcell in Kazakhstan
- Geocell in Georgia
- Moldcell in Moldova
- Turkcell in Turkey

TeliaSonera’s reporting on corporate responsibility follows the guidelines for sustainability reporting by the GRI.

**Collaborating with the ICT sector**

TeliaSonera partners with others to exchange ideas and advance our sustainability goals. We are also members of a number of organizations that look to influence public policy on corporate responsibility, including the International Telecommunication Union’s work on issues including:
- Emergency communication (detection, alerting and protection)
- Protection from electromagnetic fields
- Environmental and safety issues

TeliaSonera is an active member of telecom industry organizations.
- ETNO engages in policy matters related to the telecom network operators and TeliaSonera is one of the signatories of ETNO Sustainability Charter. TeliaSonera is ETNO Board member, and chairs the Content Issues work group which among others deals with privacy issues, and collaborates closely with ETNO Data Protection work group.
- On the mobility side, the industry association globally is GSMA, Groupe Speciale Mobile Association, and TeliaSonera chairs the European affiliate GSMe, actively engaging in European sustainability initiatives.
- Through our memberships in ETNO and GSMA, TeliaSonera participates in initiatives of GeSi, Global e-sustainability initiative, where the ICT sector collaborates on finding approaches and standards on sector specific issues, e.g. energy efficiency.

We have continued our contacts with the Global Network Initiative addressing human rights, freedom of expression and privacy issues for the ICT industry, despite not signing the principles. We regard this area to be of utmost importance and focus on addressing the issues specifically from the telecom industry perspective.
Our stakeholders

TeliaSonera interacts with a broad group of stakeholders, with varying interests or concerns over different aspects of our business. We strive to identify opportunities to better meet customer needs and address risks perceived by our stakeholders to ensure that TeliaSonera lives up to our ambition of being an industry leader and acting responsibly.

Customers
TeliaSonera provides customers with access to communications, bridging the digital divide. We act to protect customers’ privacy, ensure network integrity and safe use. Our services are marketed in a responsible way and we are responsive to health concerns.

Employees
TeliaSonera supports our employees to provide world-class service. We focus on leadership and employee competence development and as a responsible employer we address matters of health and safety, well-being and diversity.

Suppliers
In all our relationships with suppliers TeliaSonera adheres to fair and ethical business practices. We work to promote and uphold a responsible supply chain, ensuring fair working conditions and fighting child labor.

Owners and investors
TeliaSonera is expected to deliver sustainable growth, balancing long-term value creation and short-term profits to owners. In the course of operations it is key for TeliaSonera to adhere to fair and ethical business practices, in a transparent and accountable way.

Society
Our services drive growth and increase transparency in society through digital inclusion. TeliaSonera acts responsibly with regard to the environment, marketing practices, mast site placement and health concerns.

Environment
TeliaSonera offers products and services that can reduce our customers’ environmental impact and help to fight climate change. We also strive to minimize our own environmental impact, focusing on energy efficiency, reducing CO₂ emissions and waste.
High-quality networks and safe services

TeliaSonera aims to add value to our customers by offering innovative services. Our success is built on providing world-class services and high-quality networks to our customers. In response to the general concern over risk of invasions of privacy related to the ICT industry, TeliaSonera works actively to be a safe and reliable choice.

Adding value to our customers

TeliaSonera’s services are part of our customers’ daily lives. By being innovative, reliable and customer-friendly we can contribute to a world with better opportunities. We help customers improve life quality through a better work-life balance and increased productivity. Our services can also enhance access to education and entertainment.

TeliaSonera has gained a reputation for leading innovation and being in the forefront of technology development with high quality networks.

We are proud to be the first operator in the world to introduce 4G networks, which started in late 2009. At the same time, the introduction and expansion of 3G services in the Nordic countries and Eurasia will continue and create considerable opportunities for prosperity in emerging regions.

More than 85 percent of all European internet service providers connect directly to TeliaSonera International Carrier global IP network. For example, World of Warcraft, the largest online game in the world with 11.5 million players, is accessed in networks in Europe provided by TeliaSonera International Carrier.

Best-in-class networks to secure availability and reliability

Providing best-in-class networks is a main priority and one of TeliaSonera’s three focus areas. To this end, we continue investing in networks to improve coverage.

Our priorities include:

- Continuous upgrading of networks
- 24/7 supervision of networks
- Back-up power supplies
- Systematic approach to disaster recovery
- Improvements to ensure network dependability

TeliaSonera has a systematic approach to the entire chain of network operations, from design, development, roll-out and to the operational phase. We monitor our networks 24/7, allowing instant and proactive measures when problems are identified.

Working with Six Sigma, TeliaSonera continued to measure the mobile network failures in 2009 in the Nordics and Lithuania. As a result, our mobile networks improved in quality and reliability. For the end-users this translates into fewer dropped calls, providing a more consistent customer experience.

We face requirements for availability of networks from different stakeholders, for instance authorities, companies and end-customers may have different expectations. To answer these expectations, we continue developing our power back-up systems and recovery solutions.

Services that are part of everyday life

Internet access and mobile devices enable individuals to work or study from remote locations, increasing flexibility and saving time. Use of teleconferencing or videoconferencing can reduce business travel, saving time, expense and reducing the environmental impact.

These services are becoming increasingly popular in the Nordic and Baltic markets, and in Eurasia we have started to take the first steps towards offering teleconferencing and video-conferencing services.
Mobile devices can be used to communicate with and control equipment in remote locations, providing an endless number of opportunities to save time and energy. Such may include controlling lighting and temperatures at home or in the office from a distance, using a mobile device.

In the Baltic countries and Eurasia, for example, mobile devices are increasingly saving people time, allowing them to perform mobile banking services or payments to utility companies, or even replacing security systems through 3G Video Cams.

Protecting customer privacy
The key driver behind our products and services is the need and desire of the customer to share and exchange information, both private and professional.

Customers also use our services to communicate and store personal and confidential information in their homes, on the move and in their workplaces. What individuals may consider private differs, and may change over time. TeliaSonera is committed to protecting and safeguarding customer privacy.

We strive to operate the most secure communications network in the world, and take actions to prevent unauthorized access to personal data.

Our ambition for the future is to communicate more actively about privacy with customers, to ensure TeliaSonera’s position on maintaining customer privacy is clear.

Promoting network integrity and privacy
The legislation related to privacy protection differs from market to market. TeliaSonera acknowledges that there are ongoing discussions of further regulations related to online activities, data protection and consumer privacy in several national forums and in the European Union.

TeliaSonera acts as one company, following the TeliaSonera Code of Ethics and Conduct which clearly states that we shall protect our customers’ personal data and safeguard their privacy. Therefore TeliaSonera, together with the ICT industry, is engaging with the EU and also nationally to promote measures of consumer protection and privacy to be considered when drafting new regulations.

TeliaSonera adheres to national regulations in every market we operate, and will supply authorities with information only when required by the law and in response to formal requests from the appropriate authorities.

Protecting young users and children
The internet has become a meeting point for children and young people. While this brings many benefits TeliaSonera recognizes the increased risks of bullying, sexual harassment, exploitation, and other abuse.

We take the protection and safety of vulnerable users very seriously and pay special attention to protecting children and young users from abuse within the scope of our services.

Taking a stand against child sexual abusive images online is an important part of our corporate responsibility. Acting at the forefront, TeliaSonera International Carrier provides a free Child Safeguard service to its operator customers around the world.

By launching this value added service we are contributing to a global network of organizations and individuals working together for the elimination of child prostitution, child pornography and the grooming of children for sexual purposes.

Working with others to fight child abuse online
Many of TeliaSonera’s social partnerships focus on putting the protection of vulnerable children and teenagers on the public agenda. For example, TeliaSonera contributes to GSMe’s work with the European Framework for Safer Mobile Use by Younger Teenagers and Children. We work together with authorities, our business partners and well reputed organizations to block websites that are found to contain child sexual abusive images:

- **Co-operating with ECPAT in Sweden**
  In Sweden TeliaSonera has partnered with ECPAT – the global network of organizations and individuals working together for the elimination of child prostitution, child pornography and the grooming of children for sexual purposes.

- **Co-operating with World Childhood Foundation**
  TeliaSonera is a founding member of the World Childhood Foundation, working to protect children from abuse. In the fall of 2009 the World Childhood Foundation organized an international ten-year anniversary seminar where TeliaSonera participated in discussing child sexual abuse and prevention measures for the future.

Responsible marketing
As part of our work to identify material issues for future CR work, responsible marketing has emerged as an increasingly important matter. This involves, for example, clarity of tariffs, clear customer bills, services to manage usage and responsible communication with minors.

Compliance with national marketing regulation is a requirement, and the marketing departments work closely with the legal departments to ensure compliance.

In 2010, TeliaSonera will continue to develop and strengthen our group-wide approach to responsible marketing practices, to serve as a base that is complemented by local initiatives and guidelines.

World-class customer experience
TeliaSonera strives to offer a world-class customer experience by continuously developing our customer service processes and offerings. Introduced group-wide in 2008, the Six Sigma methodology supports a systematic and fact-based approach to monitoring and improving customer experience performance in TeliaSonera.

The Six Sigma process is targeted at problem-solving and allows customer service teams to:
- Define what is important to the customer
- Eliminate sources of problems
- Focus on the identified problem
- Reduce the impact of the problem perceived by our customer

Six Sigma is used in TeliaSonera both for measuring the customer experience and for measuring improvements that are initiated based on the measurement. Across the group, Six Sigma experts have been trained and the work has brought tangible improvements in customer experiences.

 Seeking feedback from our customers
The European Performance Satisfaction Index (EPSI) survey allows us to compare our performance across the group and comparisons with industry peers.

In 2009, it was conducted in all our wholly-owned operations and three new countries were included: Azerbaijan, Georgia and Kazakhstan.

Overall, the group average satisfaction score for Nordic and Baltic countries in 2009 was 67.6, and 80.6 for Eurasian operations. Reaching the target score of 77 would mean that customers rate the service levels to be high or very high.

In 2009 we focused on improving monitoring systems to better understand our customers’ needs and to improve the quality of our customer service.
Our achievements 2009

TeliaSonera first in the world to launch 4G
As the first operator in the world, TeliaSonera launched 4G services commercially to customers in Stockholm, Sweden and Oslo, Norway.

In response to the sharp increase in use of mobile broadband in the Nordic countries, customers are increasingly demanding higher speeds and capacity. 4G is the fastest mobile technology available on the market; up to ten times higher than today's turbo 3G.

4G will open up new possibilities for customers to use and enjoy services on their laptops that require high transmission speeds and capacity, such as advanced web TV broadcasting, extensive online gaming and web conferences.

Mobile academy for safe internet use
In Lithuania the TEOBUSAS, a mobile client service salon, visited eight cities during the year to teach parents and students about safer internet use.

The lectures reached an audience of more than 1,500 individuals. In recent years, the TEOBUSAS has travelled around the country to provide residents in remote areas with the opportunity to become familiarized with modern telecommunication technologies, including audio and video systems.

Click here to see a film clip from the Academy of Internet.

Pioneer initiative in Spain to protect children online
Yoigo has been the first operator in Spain to publicly offer a Child Safeguard service aimed at preventing access to, and the spreading of, images of child sexual abuse.

Users attempting to access a restricted webpage are redirected to a website that informs them of said restriction. This measure is directly effective for all 1.3 million Yoigo’s customers using mobile internet. The Child Safeguard is included automatically and free of charge in the mobile internet service offered to Yoigo's customers.

These efforts have increased the public awareness of child online abuse and the availability of the Child Safeguard service and have motivated other mobile operators to strengthen their activities against child sexual abuse.

The Child Safeguard service is developed and provided free of charge by TeliaSonera International Carrier. It was awarded "Best New Service" at the annual World Communication Awards in London in 2009.

Eurasian brand unification project continues
The brand unification project continued in 2009. In April, Kcell was launched in Kazakhstan, and in May, Georgian Geocell was rebranded.

The brand refreshment allows the operators to confirm their local commitment, while at the same time demonstrating they belong to a larger family of world class communication companies. This gives a foundation to communicate with customers reflecting the corporate values that are common to all TeliaSonera Eurasian operations, that of being modern, local mobile communications companies, and pioneering development with strong commitments to corporate responsibility.

Surfa lugnt in Sweden
Surfa lugnt (Safe surf) is a Swedish initiative aimed at increasing safety and security for young internet users. In 2009/2010, there is a national campaign to increase adults’ awareness of how children and young people use the internet in their everyday life.

Only by understanding the upsides and opportunities for social interaction and sharing knowledge presented by the internet, can adults comprehend how to protect their children from online abuse or bullying.

Surfa lugnt is a network organization initiated in 2005 by Telia and 40 other Swedish companies, organizations and authorities.

Supporting ECPAT
ECPAT Sweden is part of the international network "End Child Prostitution, Child Pornography and Trafficking in Children for Sexual Purposes", today present in 85 countries.

Telia provides financial support to ECPAT Sweden’s web based hotline, www.ecpathotline.se, where anyone can report anonymously on suspected cases of child pornography, trafficking and child sex tourism. All reports are forwarded to the police for investigation.

In 2008 and 2009 TeliaSonera Group also made a Christmas donation to support ECPAT work.

Case

Safer Internet Day 2009
International Safer Internet Day, organized by Insafe and patronaged by the Information Society and Media Commissioner Viviane Reding, focused on youngsters’ safety on social networking sites. TeliaSonera participated with activities in Finland, Sweden, Lithuania and Spain.

Protecting children a priority
"TeliaSonera has a strong focus on safe and secure usage of the internet specifically protecting children online. This is a prioritized part of our work with corporate responsibility", says Minna Pajala-Hammar, Head of CR, within the group.

In Europe there are 41.7 million users of social networking sites, such as Facebook and MySpace. Many users are children and young persons under the age of 18, and to them this is a natural and important way of socializing. However, when they post personal information, photos or videos they do not always realize that they are exposing themselves to risks like cyber bullying and grooming.

"A recent survey shows that parents think they know what their children do on the internet, while almost all youngsters think that their parents lack that knowledge. With the activities in our different countries we strive for children, teenagers, parents, teachers and other grownups to start reflecting and discussing what happens on the internet and where to draw the line between publicly available and personal information", says Minna Pajala-Hammar.

The TEO mobile academy, TEOBUSAS, in Lithuania, teaches children and their parents how to use internet safety. Click here to see a film clip from the Academy of Internet.

Local activities across the group
Several operations across the group contribute to local activities and awareness raising campaigns in different ways. To mention a few, in Lithuania the TEO mobile academy, TEOBUSAS, specifically teaches children and their parents how to use internet safety. Yoigo collaborates with the Spanish Awareness Centre of the Insafe Network. In Finland and Sweden there are...
prove the customer experience and the efficiency of customer care, product quality and the quality of our networks. There are a number of examples of this. In Finland, Sonera has succeeded in reducing consumer customer waiting times in call centers by 26 percent during 2009 and has shown a positive yearly improvement trend in answering times.

Six Sigma supports the journey
The Six Sigma methodology serves to support a systematic and fact-based approach to monitoring and improving customer experience performance in TeliaSonera. We gain measurable results by identifying the root causes of problems. Since 2008, 50 Black Belt experts and 220 Green Belt experts have been trained to work with improvement projects. Several improvement projects have been conducted to improve the customer experience and the efficiency of customer care, product quality and the quality of our networks. There are a number of examples of this. In Finland, Sonera has succeeded in reducing consumer customer waiting times in call centers by 26 percent during 2009 and has shown a positive yearly improvement trend in answering times.

OmniTel, Lithuania has improved the quality of the mobile network by introducing a call re-establishment function. The implementation of this network function was based on Six Sigma measurements of cell defects in the mobile network. The same function has been piloted in Finland and Denmark producing very promising results. Telia in Sweden, has reduced the share of invoice calls to the call center by over 60 percent through analyzing customer call reasons and, based on this information, increased communication through self-service channels.

EPSI results reveal improvement areas
One of TeliaSonera’s top priorities is to become a world-class service company. The continual measurement of customer satisfaction and perception is essential to monitor progress and identify areas of improvement. For the third year in a row, TeliaSonera in 2009 participated in the European Performance Satisfaction Index (EPSI) survey that provides information on customer satisfaction and performance in several markets.

The group’s average satisfaction score for Nordic and Baltic 2009, was 67.6. The three Eurasian countries, Azerbaijan, Georgia and Kazakhstan, measured for the first time, showed satisfaction and loyalty index score of 80.6, rated as very strong or excellent. The score for the Swedish operations increased in all segments, but there was a slight decrease in Finland, Norway, Denmark and the Baltic countries, where the effects of the economic turmoil have made people more price-sensitive.

To be rated as best in class in the service industry, and to be regarded as a genuine service company, we need to reach a score of 75, but our ambition is even higher, set to 77. This means that we must continue to focus on improvement. It is an issue for our customer support but also relates to the quality of our products and services, their functionality and usability, marketing, packaging and our communication.

We are already taking action and in 2009 we established a group-wide network responsible for communicating results, to initiate and drive actions needed, and to make continuous follow ups.

Facilitating effective billing and payment methods
Electronic invoices make it easier and more efficient to process invoices, saving resources and time. Therefore, OmniTel in Lithuania has set an objective to have 100 percent electronic bills.

In Finland, nearly 40 percent of Sonera’s private broadband customers have switched over to electronic bills. To gear customer choices towards electronic billing, Sonera offers secure payment channels in the form of electronic invoices, e-invoices or email invoices free of charge.

In Sweden, Telia is taking a lead in facilitating micro-payments via mobile devices by inviting other operators to develop a joint industry standard. The aim is to make mobile payments more efficient and safe for consumers to use.

Together with other operators, Telia is also supporting new regulations in Sweden on mobile subscription services in order to protect consumers against unclear billing practices. The measures aim to clarify to customers the implications of subscribing to a mobile service, providing timely billing information and instructions on how to end the subscription.

Improving customer care services
A so-called First Call Resolution project within Mobility Services in Finland analyzed calls where support had failed to deal with customer matters during the first contact. Identifying the underlying causes, a change in the operating procedure in customer service significantly improved keeping customer promises and the utilization of resources.

As a result, the share of fulfilling customer promise of action at first contact successfully rose to 95 percent, and at times even higher. One percent corresponds to approximately 570 cases; hence the change plays a major role in customer experience.

Next generation store reflects digital lifestyle
Telia’s Next Generation Shop concept implemented at a shop in Stockholm, Sweden, is included in the Global Innovation Report by the leading trend analysis consultancy GDR (Global Design Resources). The store has been singled out because it succeeds in reflecting the digital lifestyle of Telia’s consumers, while at the same time creating an informal atmosphere where customers are encouraged to discover and test Telia-branded products and services. The new shop concept attracts new target groups. Well-designed test stations, rather than traditional shop counters, invite customers to make contact with the shop’s staff.
Yoigo – simplicity and affordability
In Spain, Yoigo was launched as the first low cost brand in the country. With a population of approximately 40 million, the Spanish market has one of the highest mobile penetration rates in Europe. Making mobile services available to a wider group of users contributes to a more inclusive society with increased opportunities for all.

A new concept conquers the market
When Yoigo was launched in Spain three years ago, it immediately challenged the major operators on the market by offering low prices, simplicity and transparency. In five months a completely new mobile operator was up and running, offering a new brand and a new business concept. In addition to voice services, Yoigo offers SMS, MMS, mobile internet access, mobile portal services and international roaming.

With more than 1.3 million customers, Yoigo has become a price leader in Spain, which has the highest mobile call rates in Europe at the moment. Brand recognition is over 90 percent and customer satisfaction is high.

Spain has suffered greatly in the financial crisis and has been faced with high unemployment and declining revenues. The big operators have seen a significant decline in average revenue per user. In contrast, thanks to its new sales strategy and low prices, Yoigo has attracted new customers. Another contributing factor is Yoigo’s streamlined organization and the fact that it has outsourced all its major functions.

New sales strategy and improved customer service
Yoigo’s new sales strategy has involved increasing the number of sales outlets and opening a number of exclusive franchise Yoigo shops. There are now 700 of these shops and more on their way.

Yoigo’s outsourced customer service is another success factor.
“These are three to four times more efficient than our competitors’ customer service centers”, Yoigo’s CEO Johan Andsjö explains. “They are able to resolve 96 percent of all questions independently, with the help of a single support system. Our customer service is not only cost-effective but also tops all our competitors in customer satisfaction studies.”

Results from the Trend Report 2010
TeliaSonera aims to develop services that meet customers’ demands. We therefore continuously seek to identify customer needs and preferences. Each year TeliaSonera conducts a Trend Report to gain further insights into what the market wants.

The fifth annual survey on trends among companies and the general public included Sweden, Finland, Norway, Denmark, Lithuania and for the first time Kazakhstan. The survey was conducted during October 2009. The report is based on the views of over 7,000 individuals and 3,000 companies in six of TeliaSonera’s markets.

Results from the survey provide important insights into consumer needs and trends:
- Environmental concerns rate as the third most important reason to reduce business travel, following economical and time reasons
- Company business executives in Kazakhstan identified potential travel reductions to be almost 50 percent by using video and telephone conferencing
- Corporate responsibility was rated as very important or important both by companies and the general public
- In Lithuania, 80 percent of individuals believe it is very important to engage in local community activities
- More than 70 percent of companies in Sweden consider environmental stewardship as mainly beneficial to brand and image. In Lithuania, 22 percent of companies believe that this directly impacts sales. In Norway and Finland environmental work is seen as contributing to the overall effectiveness of processes
- The possibility of charging mobile phone batteries with solar cells was identified as the most attractive new functionality for mobile phones
- The number one must-have functionality in today’s phone is still camera/video, rivaled only by “chat services” in Lithuania
- Recycling of mobile phones is still relatively uncommon. Significant proportions of the respondents in almost all markets have two or more unused mobile phones at home
Inspiring people performance through development

As part of our ambition to be a world-class service company with customer experience at the core, TeliaSonera puts a lot of effort into the recruitment, training and development of our people. In a highly challenging and constantly changing business environment we depend on the skills, knowledge and experience of our employees to ensure continued success for TeliaSonera.

We need to equip our employees with competencies that build the capabilities to meet different challenges, including those of rapidly changing market and technical development. In addition, TeliaSonera is responsible for ensuring that our leaders understand the essentials of management and how to motivate and lead their teams.

Performance Management — How we make it happen

TeliaSonera operates an exciting business with great potential in a highly competitive market. In order to outperform the competition and reach challenging goals, TeliaSonera is creating conditions for a high performance company culture.

As a crucial element, managers at every level are engaged in setting individual objectives linked to strategic business goals and providing frequent feedback to each employee.

TeliaSonera has established a group-wide performance management model, which currently applies to senior and mid level leaders in the organization. The model, which translates TeliaSonera’s business objectives into tangible undertakings in our different business areas, is designed to:

- Help managers set and cascade business objectives
- Review individual performance
- Develop and reward performance
- Address poor performance

Systematic approach to move forward

Our performance management process – Make it happen – helps us promote and optimize performance and progress. It stimulates motivation and offers opportunities for employees to develop and grow, which in turn helps move the organization forward.

Working with performance management in a structured way will ensure that every employee knows and understands how he or she can contribute to business success.

TeliaSonera’s view on performance is not limited to what you achieve, but also how you achieve your objectives, including what kind of competencies and behaviors someone applies in pursuit of results.

In all of TeliaSonera’s business units managers and their employees carry out appraisals on at least an annual basis. In some countries appraisals are carried out, in certain employee categories, even more often.

During 2009 a new group-wide performance management process was launched. It offers a shared framework and language for defining competencies.

As a first step, the new performance management process involved 300 managers across the whole group. By 2011 it will be expanded to include all employees. The new performance management process also includes majority-owned operations.
Shared values as a platform
In order to ensure shared principles and expectations on competencies and behaviors across the group, TeliaSonera’s shared values provide a platform for the evaluation of preferred behaviors.

This is combined with a group-wide competency framework that outlines successful leadership competencies for different roles and levels.

The competency framework is a support for managers when providing feedback to individuals, in evaluating performance and providing guidance on what competencies to develop further. TeliaSonera’s performance management process follows an annual cycle. We begin each year by setting objectives and conclude the year by conducting a performance evaluation.

We apply consequence management, which means that we reward good performance and address poor performance by applying coaching in order to reach better results. Performance has an impact on compensation as well as career and development opportunities.

Development that meets business requirements as well as individual needs
TeliaSonera has constantly developed our business through different competency shifts when it comes to the technical development of the telecom industry. Due to this, there is a solid history of career-long learning among TeliaSonera’s employees. In the late 1990’s, TeliaSonera’s focus was on increasing educational levels. Employees without formal education were offered the opportunity to study at university level. When looking at TeliaSonera today, the majority of our employees have graduated before they join the company.

Competency development today is increasingly about the transfer to new technologies and the understanding of what this means for the telecom industry as a whole, as well as for TeliaSonera and our services.

Investing for growth
TeliaSonera has a history of growth through mergers and acquisitions and a future of cross-border solutions. This requires a capacity to operate in an international environment. Thus we have invested in tailored e-learning solutions that support our managers and employees in further improving their language skills, specifically in English which is the corporate language. TeliaSonera is a pioneer in the industry, and our innovative approach has proven to be successful.

In a rapidly changing business environment, it is essential that our employees ensure that innovative initiatives and projects are based on profitability and sound judgments. Therefore we have invested in further developing business acumen skills among our specialists and leaders.

During recent years we have carried through a number of development initiatives to strengthen our competencies. The common denominator among these initiatives is the focus on strengthening our business capability for the future. Current examples are:

- **TeliaSonera International Trainee program**
  An 18 month-program that was completed during the summer of 2009. A total of 32 participants were given the opportunity to learn more about TeliaSonera’s international business and to develop specific business skills and experiences from various cross-border assignments.

- **IT/IP Business Program**
  A development program that targets professionals, aiming to increase the knowledge level in the IT/IP business and ease the transfer into current as well as future technology. The program is managed by one of Sweden’s leading technological institutes, and offers successful participants the opportunity to gain ten accredited academic points.

- **TeliaSonera Business Acumen**
  A dual module program that strengthens the participant’s capability to understand different business models and increases business acumen skills. The learning is fostered by interactive business simulations and lively discussions led by experts from leading business schools.

- **Coaching for Performance**
  To give our managers tools to coach individuals and teams to better performance, TeliaSonera invites middle managers to attend programs where these skills are transformed from theory into practice. During 2009, we launched a new program in cooperation with an international provider of leadership development. Through an experiential learning approach our middle managers enhance their leadership skills.

- **Managing and Leading Change**
  To ensure that our leaders have the capacity to manage operations in a rapidly changing business environment, TeliaSonera launched a new program in 2009. The objective is to help leaders understand how people and organizations react to change, and how to effectively manage organizations through times of change.

- **Essentials of Management**
  In order to ensure a shared standard with regard to requirements on leadership roles in TeliaSonera, we introduced a program during 2009 that focuses on fundamental capabilities and tools for new managers. The program is managed either by certified internal trainers or by consultants from our international partners.

TeliaSonera’s Leadership Development Pipeline
During 2009, TeliaSonera introduced a shared vocabulary for leadership competencies and requirements.

Our competency framework sets out competency profiles that outline the behaviors that distinguish successful leadership approaches and skills for each different level and role.

Based on competence profiles, we tailor our development activities for senior and mid-level leaders to respond to the challenges and competencies that are characteristic for each leadership level. This helps us to ensure that our leaders get the right training and development at the right time, which is when they will be in a position to practice their newly acquired learning’s.

An open job market
In 2009, TeliaSonera extended the number of countries using our international job portal, the TeliaSonera Job Market. In practice, all vacancies in TeliaSonera are now communicated to a group-wide audience. As stated in TeliaSonera’s recruitment policy, we value business minded people with a strong customer focus. People with a constant drive for simplicity, that team up to make the business happen across borders. We want to attract and recruit people that through a strong drive, a positive attitude and innovative mindset can create business opportunities.

In line with this, we offer access to the TeliaSonera Job Market to all our employees so that any employee with the required profile may consider a new assignment and development opportunities within the group. Additionally, the vacancies are available to external job applicants through our website.

By establishing an open job market, we bring the group closer while at the same time improving the development opportunities for our people. For employees with aspirations, talent and willingness to relocate to other countries there are international career development opportunities within the group.

Employee commitment – valid throughout the organization
TeliaSonera’s employees in different units are encouraged to express their views on a number of issues, including work
processes, customer focus, communication, leadership, working environment, through recurring employee commitment surveys.

As of 2009, TeliaSonera has adopted a one company approach to its employee commitment survey. This means that focus areas and questions are synchronized on a group-wide basis.

At the same time, the local units can benchmark the result from the survey with the respective local market data to understand their results compared with the TeliaSonera Group as a whole, and with local peers.

TeliaSonera will carry out its’ group-wide employee commitment survey on a bi-annual basis, which allows time to take actions to address the outcome of the survey.

In 2009, the response rates were high. Results are used as a basis for continued improvements throughout the organization, setting up actions plans which are being followed up on.

Our achievements 2009

100 percent employee engagement in change management programs

During the year Mobility Services in Sweden evaluated the results from the competence development program Mobil 2.0, introduced in 2008.

100 percent of the employees have participated in the program focused on increasing knowledge about the mobile business. As a result of visible leadership and engagement from management together with regular feedback to team leaders, employees have been encouraged to contribute to the program.

Moving forward, Mobil 2.0 will be part of introduction to new employees and new training modules will be developed based on the experiences from the program.

Early intervention model gives results

In Finland, an early intervention model has successfully supported managers’ dialogue skills and lowered the barrier to raising even sensitive issues.

Based on the monitoring of sickness absenteeism or irregular behavior of employees, managers have initiated dialogues to assess the situation and agree on changes and monitoring.

Early intervention practices are at their most effective in an atmosphere of dialogue. The method resulted in an average sick leave of 2.73 percent in 2009; a significant improvement compared to previous years.

Together with an external partner, TeliaSonera in Sweden initiated a project to support employees that have been away from work due to sick leave for an extended period. The project aimed to more rapidly identify the best solution in order to enable the employee to return to work. As an alternative, employees were helped to gain insight into what motivates them.

The aim is that they can be a part of the working population desirable employer in 2009.

Employees are supported in their efforts to find internal or external positions for a longer time than the normal period of notice.

The Competence Pool also offers training programs and on-the-job training. During the four years it has been running, TeliaSonera has invested over EUR 80 million in the Competence Pool.

Since 2006, approximately 1,500 employees have been transferred to the Competence Pool. TeliaSonera in Finland has been able to offer permanent or temporary jobs to close to 300 people, while 1,100 have left the company.

During the entire period the feedback has been very positive, in early 2010 nearly 90 percent rated the Competence Pool’s operation as either good or excellent.

The Competence Pool enables TeliaSonera to deal with changes in a responsible manner. At the same time, the Competence Pool has helped make savings in a number of ways, including recruitment and orientation costs. The Finnish Association for Human Resource Management, HENRY, awarded the Competence Pool model the Personnel Achievement of the Year 2008 award.

Sonera’s K2 program in Global HR Awards

Sonera’s K2 program was rated among the top three in the Performance Management category of Global HR Awards organized annually by the International Federation of Training and Development (IFTDO).

The entire staff of Mobility Services Finland – nearly 1,100 people in all – have been taking part in the program for the past three years. Job satisfaction among the personnel has risen by ten percent.

K2 was launched in 2006 as a change management model to tackle the rapid changes of the mobile communications business and the need to combine efficiency, new business growth and job satisfaction.

The outcome of K2 has been a more open culture, with an ongoing dialogue that steers operations and decision-making. In the future, the cooperation between K2, Business Services and Broadband’s corresponding personnel development program Broadway will intensify.

Sonera’s Broadway program lifts employee commitment to new level

In April 2009, Sonera launched a transition program in Broadband Services Finland. The program, called Broadway, involves all personnel of Broadband Services Finland – over 2,000 people – in developing and implementing the new strategy.

During the first months the employees have participated in workshops and continued dialogues in blogs and chat sessions.

The Broadway program is a forerunner in applying social media as part of an employee program. Job satisfaction among the personnel measured in 2009 has risen by 23 percent compared to the results in 2008.

LMT best employer in Latvia

LMT is ranked number one in the list of best employers of 2009, and it also has a surprisingly low staff turnover of only two to three percent. In an unstable economic situation, stability was the single most important factor that made a company a desirable employer in 2009.

LMT has a reputation as a technology leader with the best quality of network, services and customer service, and is one of the few companies that remain profitable in Latvia.

Like other companies, LMT has had to reorganize in the light of prevailing market conditions. Stated objectives of the company are to motivate its workers to work efficiently, increase their loyalty and support the development of their qualifications.

TeliaSonera’s other Latvian operator, Lattelecom, was ranked third in the rankings and thus moved up two places from last year. Together LMT and Lattelecom are the only telecom operators in the top ten.
Diversity Mentorship Program in Sweden
During 2009, ten managers acted as mentors to help newly arrived immigrants to exchange knowledge and experience. As the apprentices gained insight into the Swedish job market and established new networks, TeliaSonera managers learned from the knowledge transfer and increased their understanding of foreign cultures.

The aim is to unleash the potential of a broader group in society, and to ensure that TeliaSonera applies a wide scope when seeking new talents.

TeliaSonera re-negotiates European Works Council agreement
In April 2009 a new agreement was signed between TeliaSonera and the EWC working committee which supports our One Company approach.

This was the result of negotiations initiated in late autumn 2008, to bring about changes in the EWC agreement. The aim was to make the agreement more adapted to the increasingly internationalization of the company.

Under previous agreements the President of the EWC had to be Swedish. According to the new agreement the chairman can be elected from any of the countries in which the EWC agreement is applicable.

Rather than having meetings held in Swedish, with interpreters present, the spoken and written language at the EWC meetings will be English, beginning mid-2010.

In preparation for this change, the EWC members were offered training in English during 2009, which was funded by the Group HR function. As part of the new agreement, the Group HR function will fund EWC members’ travel and hotel expenses in connection with the meetings. This is to facilitate EWC members carrying out their missions.

The level of union affiliation across the group is shifting between different countries, but also between companies within the same country. Overall, a majority of TeliaSonera’s employees are covered by collective agreement, in total over 70 percent.

Case

Job opportunities in 20 countries
As part of establishing conditions for growth and expansion, TeliaSonera launched the TeliaSonera Job Market in Eurasia. This means that 20 countries are currently publishing and showing their open positions in the same place. This encourages exchange of knowledge within the group and promotes international career opportunities for employees in TeliaSonera.

The right person in the right place
“Whenever possible, we should look at vacancies as development opportunities for internal candidates with a solid track record of delivering results”, says Liselotte Bergmark, Head of HR Management & Organizational Development.

“As stated in TeliaSonera’s vision and values, we value business minded people with a strong customer focus. People with a constant drive for simplicity, that team up to make the business happen across borders. We want to attract and recruit people that through a strong drive, a positive attitude and innovative mindset can create business opportunities. In line with this, we now offer access to the TeliaSonera Job Market to all our employees to allow them to consider new job possibilities.”

Making it happen – a joint responsibility
Of course, the possibility to develop within the group is a joint responsibility: It is your responsibility to make yourself employable and develop competencies needed for future jobs. It is your manager’s responsibility to support you in this process, and it is TeliaSonera’s responsibility to make sure that we as a company are fair, ethical and professional in the process of selecting the right person for the right job at the right time.

“We look at the launch of the TeliaSonera Job Market in Eurasia as a first step in bringing us all closer together and the start of improving the international career possibilities of our employees who have the aspiration and talent and are willing to move to other countries within the group”, says Basak Karlidag, Head of HR in Eurasia.

Global principles, local challenges
Eurasia is the growth engine of TeliaSonera. Compared with our markets in the Nordic or Baltic countries, there are significant differences in demography, economic development and telecommunications availability.

In all of our operations we have an entry level wage that is well above the local minimum wage.

In the Baltic and Eurasian countries the entry level varies between 20 to close to 500 percent over the local minimum. In most of the Nordic countries there is no legislated minimum wage, as this is instead regulated in collective agreements.

Where there are employees who have entry wages close to what is regulated in the collective agreement, the entry level wage is supplemented with an additional variable salary.

TeliaSonera has global recruitment policy in place granting preference to internal candidates when hiring.

In Eurasia the common practice is that local staff should be considered first for the majority of the top management positions, provided that they have the right skills required for the position. We have a focus on preventing gender discrimination or harassment.

Our aim is to have a recruitment process which supports the business by finding the right caliber of person for each specific role and challenge in the organization.

We also aim at increasing the mobility of people between different parts of the organization. During 2009 a new global Recruitment policy and a new global Transfer policy was adopted in order to achieve these objectives.

In all of our operations at least 50 percent of the management are local, in most cases the figure is even higher (75 percent or above). The exceptions are Uzbekistan (35 percent) and Nepal (40 percent).

The TeliaSonera Code of Ethics and Conduct states that we aim to constantly provide and improve a safe and healthy workplace by ensuring safety in work processes, preventing and reacting to conditions of ill health and supporting measures to promote health and well being.

Throughout our operations we act according to local legislation and collective agreements and take pro-active measures to promote a safe and healthy workplace. In many countries we also encourage positive health by subsidizing costs for health activities.

Most of the Nordic and Baltic countries have special agreements with external health care providers. In most of the Eurasian operations the employees are provided with health and
accident insurance. In Azerbaijan this also covers family members. Most of the Eurasian operations also promote sports club membership and sports activities.

During 2009 Moldova introduced a dedicated function to define the framework and elaborate main policies and procedures, as well as to deliver training programs on health and safety to the employees.

To Pirjo Mai, HR director of Ncell, it is a challenge to find a common platform for the employees representing more than 15 nationalities.

An awakening democracy struggling with poverty
With close to 30 million inhabitants, Nepal is the largest of the eight markets where TeliaSonera has majority-owned operations.

“To understand the situation for our employees in Nepal one must first understand the basic conditions and cultural environment in the country. This reflects in everyday life and actions at the office” says Pirjo Mai, HR director at Ncell.

“The culture is based on a mixture of values from Hindu or Buddhist traditions. In the country there are around 40 different ethnic groups, most with their own languages.

In Nepal where almost half of the population lives below the international poverty line and illiteracy is widespread, there are not adequate nationwide landline telephone services to connect people living in the mountains or other remote locations. Mobile telephony is increasingly accessible and affordable and Ncell currently has 2.2 million customers, almost all of them with prepaid services.

Developing our employees and developing the market
The development of our business needs to be adjusted to the general development, while still being pioneers promoting and driving change. One important aspect is to equip employees with the competence and basic tools they need to operate the business.

Since TeliaSonera has taken over the operations, there have been significant improvements in working conditions, compensation and benefits and implementation of management practices. The employees represent over 15 nationalities from diverse cultural backgrounds, and it is a challenge to find a common platform. As part of the group, employees have been introduced to TeliaSonera’s way of working and discussed group values and principles.

Basic management training and training in the group performance management process is underway, with managers being trained to set targets and evaluate performance in a professional way.

In order to make information more available an intranet service was launched in June, containing information about policies, practices, working tools, events and news. Information from the TeliaSonera Group is also included to widen the scope and to emphasize that Ncell belongs to the group.

Labour union agreement in place
In 2009, the union Spice Nepal Welfare Council was formed to create an official forum for dialogue between and management and to forward employees’ views and opinions on matters concerning employees.

“TeliaSonera has committed to a number of measures for improvements in a Collective Bargaining Agreement. By the end of 2009, the majority of these measures had been implemented and the remaining were making good progress,” says Pirjo Mai. Some of the measures already in place include review of working hours and overtime payment, insurance coverage, policy for maternity and mourning leave, access to call facilities and commuting allowances. Several training programs have been launched, including English language, trainings in technical and IT areas, customer services and several other functional areas.

One company – creating opportunities
All vacancies in Ncell are announced internally, giving priority to internal candidates whenever possible with regard to the qualification requirements of the position. Recruitment of internal candidates has increased as employees have been encouraged to apply for vacant posts.

In December 2009, Nepal was included in the TeliaSonera Job Market, and employees can access information about vacancies in other TeliaSonera companies.

For the indicators to this section, see Key indicators.
Sound supplier relations based on clear standards
TeliaSonera strives to ensure a stable base of competitive and responsible suppliers. Our aim is to be a reliable partner to our suppliers and contractors, focusing on long-term business relationships and healthy cooperation. In return, TeliaSonera expects suppliers to ensure compliance with the same level of corporate responsibility standards as the TeliaSonera Group itself. We do not accept corruption, expect human and labor rights to be respected and environmental regulations to be met.

Stable supplier base
TeliaSonera’s main purchases are related to building and developing our fixed and mobile networks. In addition to infrastructure equipment, we purchase mobile handsets and consumer electronic devices, but these only represent a small part of our purchases.

In order to deliver world-class services TeliaSonera engages suppliers that are reliable, high performance organizations with spearhead technology knowledge.

Over 80 percent of TeliaSonera’s purchases come from large global companies with internationally recognized standards of corporate responsibility. These companies have management systems certified by third parties.

By engaging predominantly with large global suppliers, conducting a systematic selection process and demanding supplier commitment to CR requirements, TeliaSonera ensures integrity and manages relevant CR risks along the supply chain.

The sourcing process
Since 2006, when the Group Sourcing function was established, TeliaSonera has strived to ensure that sourcing decisions are always made on a rational and financially sound basis while upholding ethics and integrity.

Based on the group sourcing policy, basic conditions for all purchases include business involvement and at least two competing tenders, with hierarchical levels of approval.

The result is a systematic way of handling purchase decisions, one which warrants fair treatment of the suppliers and that only the suppliers with the best offers in respect to quality, pricing, time and corporate responsibility are chosen.

Under no circumstances should any personal attachments to a supplier influence the choice of supplier. In our operations, we do not accept corruption, the paying or receiving of bribes or other illegal payments to obtain or retain business.

CR requirements part of supplier selection
Environmental aspects have been part of the supplier evaluation process since mid 1990’s. During 2008, TeliaSonera introduced updated group-wide CR requirements for sourcing, aimed to be included in all new and renegotiated agreements.

Activities during 2009 were consequently largely focused on training all sourcing managers and implementing the CR requirements in supplier agreements.

The general CR requirements to which all suppliers and potential TeliaSonera suppliers must adhere to include basic social and environmental requirements, as well as requirements regarding potentially hazardous substances.

Recognizing that different suppliers face different challenges the basic requirements can be complemented with additional requirements. Accordingly, for contractors, mainly providing construction and maintenance of networks, there are specific requirements regarding the emissions of machines and car fleets.
As another example of additional requirements, TeliaSonera requires suppliers of products, such as switchboards, routers and similar equipment, to have increased preparedness for environmental designs, energy efficiency and recycling.

TeliaSonera expects suppliers to demonstrate continuous improvements with regard to the areas covered by CR requirements. The signed CR self-assessment requirements are binding and are a part of contracts or agreements with TeliaSonera.

### CR requirements

<table>
<thead>
<tr>
<th>Requirements for all purchasing cases</th>
<th>Additional requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>General CR requirements</td>
<td>Product Suppliers</td>
</tr>
<tr>
<td>Social/ethical requirements</td>
<td>Design for environment</td>
</tr>
<tr>
<td>Quality and environmental</td>
<td>Energy efficiency</td>
</tr>
<tr>
<td>management systems</td>
<td>Recycling, end-of-life</td>
</tr>
<tr>
<td>Substances</td>
<td>management</td>
</tr>
<tr>
<td>Black list</td>
<td>Contractors</td>
</tr>
<tr>
<td>Barred substances</td>
<td>Emissions; vehicle theft, machines</td>
</tr>
<tr>
<td>Grey list</td>
<td>Recycling, end-of-life</td>
</tr>
<tr>
<td>Substances to be avoided</td>
<td></td>
</tr>
</tbody>
</table>

### Three level assessment process
Depending on what is being purchased there are different levels of assessments. However, the CR requirements should always be included.

### Supplier assessment types

<table>
<thead>
<tr>
<th>Simplified assessment</th>
<th>Qualified assessment</th>
<th>Full supplier review</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase volume</td>
<td>Purchase volume</td>
<td>new supplier with</td>
</tr>
<tr>
<td>1-10 MSEK per year</td>
<td>&gt; 10 MSEK per year</td>
<td>large portfolio, critical product or service.</td>
</tr>
</tbody>
</table>

1. **Simplified assessment**
   For a purchase decision with limited volume or impact, TeliaSonera uses a simplified assessment where the supplier self-assessment is the main source of information. Such assessment may be appropriate in case of a smaller service company, such as a supplier of commodities.

2. **Qualified assessment**
   A supplier that delivers a strategic service or product to TeliaSonera undergoes a qualified assessment. In addition to the self-assessment performed by the supplier, TeliaSonera evaluates the supplier’s systems according to a checklist including strategic considerations, such as risk management, product liability and distribution structure. TeliaSonera also assesses the suppliers’ own routines and processes for auditing. Qualified assessments may be appropriate when taking on a new contractor or IT consultant.

3. **Full supplier review**
   A full supplier review is performed for new vendors with the potential of providing a broad range of services or if a product or service is deemed to be critical to TeliaSonera. These reviews are performed on-site by TeliaSonera and cover a wide span of material issues, ranging from operational to strategic matters. In all vendor relations TeliaSonera retains the right to perform on-site reviews if and when deemed necessary. A full review may be performed, for instance, for a new key network supplier.

### Sourcing in emerging markets
The markets where the Group Sourcing governance has been fully implemented are Finland, Sweden, Denmark and Norway. During the past two years the involvement of Group Sourcing has gradually increased in the purchasing processes in the Baltic and Eurasian markets.

Today most network equipment, IT and contracting purchases in the above operations, representing approximately 70 percent of all purchases, are governed by Group Sourcing. Through this synergies have been secured and CR requirements included in agreements.

Some purchases are still – and will remain – local, mainly indirect products and services. Local purchasing contributes directly to the development of local economies.

### Local sourcing from global companies
Investments into mobile communication infrastructure form a significant part of TeliaSonera Eurasia operators’ spending.

TeliaSonera aims for the highest quality in its networks and purchases equipment from the world’s leading suppliers such as Ericsson, Huawei, Nokia Siemens Networks and ZTE.

As a rule, TeliaSonera Group Sourcing team conducts tenders and negotiates regional price deals with suppliers’ headquarter representatives, and contracts are later concluded on the local level between the respective TeliaSonera Eurasia company and the supplier’s team in that country.

As most of TeliaSonera Eurasia companies define a “local supplier” as a legal entity registered in their country in accordance with the local law and capable of making transactions in local currency, such purchases are effectively considered purchases from local suppliers.

### Strengthening systematic risk assessment
In 2009, TeliaSonera reviewed overall CR risks relevant to the group. This is an important part of the process of identifying CR-issues that are material to TeliaSonera.

With regard to sourcing activities, general issues that may face TeliaSonera include the risk of corrupt business practices, environmental hazards and violations of human and/or labor rights, including child labour.

The risk of such issues occurring may vary depending on the products or services purchased, the nature of the supplier’s operations or the region of operation.

Part of the development plan for 2010 is to establish a robust framework for supplier CR-risk assessment. The purpose is to better identify risks associated with a certain product category, for example, as well as benchmarking and managing suppliers according to their risk profile. The CR requirements will also be improved and aligned with the TeliaSonera Group Code of Ethics and Conduct adopted in 2009. Activities for 2010 include:

- A Supplier Code of Ethics and Conduct is being developed, to enable a more structured and efficient way of transferring the social and environmental requirements to all TeliaSonera supplier agreements,
- Development of improved risk assessment for deeper insight into supplier risk profiles,
- Strengthened reporting and compliance monitoring.
Over 70 percent of Group Sourcing purchasing volumes are covered by the new CR requirements. In five cases during 2009, supplier offers were rejected due to inadequate compliance with TeliaSonera CR requirements.

On several occasions there were specific CR remedy actions included in agreements to qualify the supplier for a contract with TeliaSonera. For instance, the supplier may have been requested to commit to becoming ISO 14000 certified during 2010 as an additional remedy action.

Dialogue and feedback
Dialogue with suppliers is key to ensuring that our relationships reflect our ambition to be a reliable partner to suppliers and contractors.

We focus on long-term business relationships and healthy cooperation to build a stable supplier base. In order to learn from our respective experience and build relations, we collect feedback and exchange information through a number of channels.

This includes dialogue with potential suppliers for future business relations. TeliaSonera has specific vendor managers for major suppliers to coordinate communication to ensure efficient cooperation.

In 2009, as part of the overall materiality analysis, TeliaSonera performed a stakeholder survey to gain a better understanding of TeliaSonera’s future CR priorities. Suppliers, being an important stakeholder group, were invited to participate and give their inputs.

Our achievements 2009
Over 70 percent of Group Sourcing purchasing volumes are covered by new CR requirements
The markets fully covered by the Group Sourcing governance are Finland, Sweden, Denmark and Norway. During the past two years, Group Sourcing has gradually increased its involvement in the purchasing processes in the Baltic and Eurasian markets.

Today network equipment, IT and contracting purchases in the above operations are governed by Group Sourcing securing synergies.

During 2009 Group Sourcing has worked systematically to implement the CR requirements in agreements and now the CR agreements are included in contracts representing approximately 70 percent of the purchase volumes governed by Group Sourcing.

Supplier criteria towards TeliaSonera
During the past few years, we have experienced an increased customer demand, particularly from corporate customers, for information, and assurances of TeliaSonera’s ethical purchasing criteria are in steady use.

In 2009, TeliaSonera provided corporate customer sales teams with a new CR tool kit to assist in responding to the various customer questions, demonstrating our way of handling CR as part of the daily operations and better documenting our latest achievements.

Our approach is based on acting transparent both ways, whether TeliaSonera acts in the role of supplier or purchaser. From an overall perspective, TeliaSonera welcomes this development as it contributes to more transparent and responsible supply chain practices.

Gaining supplier insight from stakeholder survey
In 2009, as part of the overall materiality analysis, TeliaSonera performed a stakeholder survey to gain a better understanding of TeliaSonera’s future CR priorities. Suppliers, being an important stakeholder group and often having closer insights into our operations, were invited to participate and give their inputs.

Suppliers represented 44 percent of respondents in the survey. Respondents were asked to rate the overall importance of telecom and ICT companies to work with identified CR issues and to evaluate TeliaSonera’s focus and performance to identify potential gaps. Furthermore, recommended priorities for TeliaSonera CR work were suggested and CR communication evaluated.

Overall, there were minor differences in suppliers’ responses compared to those of other stakeholders. Quite naturally, the importance of responsible supply chain and fighting child labor gained somewhat higher marks.

Suppliers also weighted environmental issues over the importance of social issues, a difference of priorities compared to the financial community. Suppliers’ views of TeliaSonera being a responsible company from social perspective were significantly higher than the financial community’s, with 73 percent of supplier respondents completely or somewhat agreeing, compared to 50 percent of financial community.

Since 82 percent of supplier respondents consider themselves well or somewhat familiar with TeliaSonera operations, this may reflect a deeper insight gained through working closely with TeliaSonera.

With regard to communication of our CR work, the TeliaSonera CR Report was familiar only to 43 percent of supplier respondents, in comparison with 93 percent of financial community. This is a clear indication for TeliaSonera to better share the insights from our CR Reporting with suppliers in the future.

Case
Training and implementation of CR requirements
During 2009, the focus has been on implementing the CR requirements in framework agreements with all new suppliers. For existing suppliers the requirements are introduced as the agreements are renegotiated. Within the next few years all supplier agreements will be covered by the requirements.

The majority of agreements include CR requirements
Already in 2009, the most important vendors, representing approximately 70 percent of Group Sourcing purchased volumes, including the network service suppliers, had the CR requirements included in their contracts.

Training is part of implementation
In order to support the Group Sourcing function TeliaSonera has conducted a number of training sessions. The focus has been on highlighting the importance of the CR requirements and on providing tools to evaluate suppliers’ self-assessments.

One important aspect of the training is to raise employee awareness of reporting channels and the responsibility to report suspected misconduct in the purchase process, or potential infringement of the CR requirements.
Including external expertise

All employees at the Group Sourcing department have received an introductory CR training during 2009. In addition, sourcing personnel participated in six TelePresence meetings with various themes during the year, including producer responsibility and development of CR in sourcing.

On some occasions external parties have contributed with insights, for example the NGO FinnWatch has shared their experience on working conditions in China. By the end of 2009, 60 percent of the sourcing function had also participated in a one-day course including:

- CR in general
- TeliaSonera CR requirements
- Environmental issues and regulations
- Business ethics and conduct, including corruption and bribery

During 2010, there will be training organized for all Sourcing managers in the TeliaSonera Code of Ethics and Conduct, as well as on how to work with the new supplier code.

Assessing a recycling service provider in Sweden

TeliaSonera is constantly looking for more competitive and environmentally efficient solutions with regard to recycling of waste.

By scrutinizing and benchmarking suppliers against each other we encourage progress and development towards new and more efficient solutions, while at the same time ensuring suppliers fulfill TeliaSonera’s CR requirements.

“There is both a risk and an opportunity side to the recycling business. On the risk side, the industry has been associated with illegal exports and dumping of hazardous waste, emphasizing the need to verify and control how waste is managed and recycled.

At the same time, the recycling industry is changing positively and it is possible to recover and recycle new materials from existing waste. For instance, today plastics can be recovered in several fractions compared to one single fraction a few years back.

Introduction of new regulations and the development of innovative and more efficient techniques also stress the importance of getting to know the situation and conditions at potential suppliers.

“We wanted to verify that the recycling service provider fulfills the TeliaSonera requirements for recycling services. It is our principle to validate their performance, and how well their solutions live up to our requirements”, says Dag Lundén, Environmental Manager at business area Broadband Networks.

“This certainly also includes requirements on working conditions, safety and health aspects. The recycling business is by nature quite ‘dirty’: handling garbage and defunct or rejected products. We want to be sure that waste treatment workers have sustainable working conditions.”

Scope of the assessment

The assessment team, including TeliaSonera representatives with environmental and operational knowledge, visited both the head office of the supplier as well as one of the locations of recycling operations.

In accordance with the requirements the assessment included the business structure, collection and recycling processes, technical recycling solutions and the end-market for recycled materials.

“As part of the process, we analyze environmental performance with regard to energy utilization, water consumption, emissions and recycling of energy. This also includes performance data such as total capacity or grade of recyclability on different waste categories, such as plastics, electronics, cables, batteries and scrap from different metals”, says Dag Lundén.

“We also look at solutions and process management in the operations, and verify compliance with legal requirements, permits and certifications, for instance ISO 14001 for environmental management.”

Positive results

All evidence was documented and reported for internal assessment. While TeliaSonera has not yet decided on whether to go further in the procurement process in this case, from an environmental and CR perspective the supplier will be pre-qualified in a coming procurement process.
Transparency is key to shareholder and investor relations

TeliaSonera strives to be an attractive investment with a long-term, sustainable development of shareholder value. With a broad shareholder base there are high expectations on TeliaSonera to conduct business in a fair and responsible way, while at the same time generating strong financial results. As in all stakeholder relations, TeliaSonera seeks to provide the investor community with honest, fact-based and transparent information.

The Swedish and Finnish states are the largest shareholders in TeliaSonera, holding 37.3 percent and 13.7 percent of the shares respectively. In addition, there are a number of institutional investors and funds among the more influential shareholders.

The TeliaSonera share is also held by a significant number of private shareholders, over 500,000. In Finland and Sweden, the TeliaSonera share is often referred to as a household-stock.

Efforts to intensify communication with the investor community

During 2009, the group made efforts to intensify communication with the investor community as a whole, and specifically with ethical investors, to ensure that their perception of TeliaSonera is at par with where we are heading.

Effectively, this means that TeliaSonera has increased its openness and transparency towards the market. For investors to make a fair evaluation of the company they are dependent on a steady flow of reliable and balanced information.

Sustainable growth and fair business practices

The overarching issue of importance to investors and owners is that TeliaSonera keeps delivering long-term sustainable growth, while at the same time producing quarterly profits.

In dialogue with investors, TeliaSonera has identified a number of underlying issues that investors believe affect TeliaSonera’s ability to create value, and which are closely intertwined with CR aspects.

Eastern expansion important for growth

One important aspect is the expansion east. Our operations in the Baltic countries and Eurasia have grown significantly and their share of the group results has steadily increased. Eurasia now generates some 40 percent of the TeliaSonera Group operating income, compared with 30 percent three years ago.

Part of the investor community considers this a risk in financial terms, because of the exposure to emerging markets, but also in terms of ensuring fair business practices.

Hypothetically an incident of corruption or fraud could cause TeliaSonera to lose its “license to operate”, thus implying that failure to address and uphold fair business practices could very likely become a material business risk. Upholding fair business practices is therefore critical and a top priority for management.

A pre-condition to addressing these issues is a robust governance model and an internal auditing system that covers all relevant entities of the group. By adopting a group-wide Code of Ethics and Conduct, replacing earlier local codes and separate CSR policy, TeliaSonera has taken yet another step in acting as a group with a uniform approach to fair business practices. TeliaSonera has also clarified its position and intention to remain and further develop its business in the Nordic, Baltic and Eurasian countries and Spain.

Bridging the digital divide

Another emerging issue identified by the investment community is the importance of bridging the digital divide. Developing the accessibility of telecom services means expanding TeliaSonera’s business. Currently the highest potential for this is presented by the Baltic and Eurasian markets, where both the digital divide and market growth potential are significant.

This signals that investors consider a basic level of CR work to be fundamental and a basic condition for investments.

Well prepared companies may move into emerging markets or regions without compromising investor confidence. On the other hand, companies that do not address these issues risk ending up outside the investment universe when it comes to large institutional capital.

Corporate responsibility assessment in financial analysis

During the year, TeliaSonera has experienced an increased interest in CR issues from mainstream financial actors. Emerging from the sell-side, analysts following the TeliaSonera share include a review of CR policies and practices as a part of the traditional company analysis.

This confirms that CR and sustainability issues increasingly are becoming part of company evaluation, as a means to detect the capacity for sustainable and long-term growth.

Shareholders in TeliaSonera with ethical commitments

TeliaSonera has met with a number of investors dedicated especially to environmental, social and governance issues during the year. But to confirm the sense of importance of CR issues and the growing expectations for companies to communicate their performance in the field, TeliaSonera has made an estimation of the proportion of ethical investors among our shareholders.

This estimation is based on the investors’ participation in Principles for Responsible Investments (PRI). PRI is a UN initiative gathering investors that are committed to integrating Environmental, Social and Governance (ESG) issues into their
investment decisions, to promote ESG consideration in the financial community and to increase the transparency of portfolio companies.

At the end of 2009, approximately 11 percent of the shares in TeliaSonera were held by PRI signatories, corresponding to 22 percent excluding Swedish and Finnish state ownership. While countries cannot be signatories to PRI, and hence not included in the calculation, both the Swedish and Finnish state exercise active ownership and are committed to promoting environmental, social and governance issues.

Our achievements 2009

Reaching out to the financial community

As part of TeliaSonera’s efforts to become more proactive in our communications with the financial community, the Investor Relations function conducted around 300 meetings with investors. Many of these meetings included representatives from the Group Management. In Stockholm in September 2009, a capital market’s day attracted over 180 analysts and investors.

FTSE4Good

In 2009, TeliaSonera regained our position in one of the world’s most recognized sustainability indices, FTSE4Good. TeliaSonera was delisted from the index in 2008, citing a lack of transparency of CR practices related to human and labor rights and anti-corruption. This index is designed to measure the performance of companies in meeting globally recognized corporate responsibility standards, to provide the investment community with an investment universe of companies that show good preparedness.

Our regained position is very much a result of increased openness and transparency in our CR reporting, and towards the investment community as a whole, but also due to ongoing dialogues with the research and analyst team of FTSE.

Oekom PRIME rating

TeliaSonera maintains the prime rating from Oekom, based on an assessment of our environmental and social performance. This qualifies TeliaSonera shares to be included in the investment universe of Oekom’s clients.

Oekom represents reputable financial service companies, currently managing a total volume of EUR 90 billion.

Carbon Disclosure Project

Participating since 2004 in the global investor initiative, CDP, TeliaSonera has been among the leading telecom operators globally. In 2009, TeliaSonera was rated as the top Nordic telecom operator, and number two among global telecom operators. The initiative is designed to evaluate companies’ environmental performance reporting and assess how well companies address the risks and opportunities related to climate change.

Nordic ratings and assessments

Folksam

In its yearly ranking, Folksam, one of Sweden’s largest insurance companies, assesses how listed companies are dealing with environmental and human rights issues. TeliaSonera ranks among the top in its sector when it comes to informing the public about the company’s environmental and human rights efforts. In environmental issues TeliaSonera ranked third, and in regard to human rights ranked second. All sectors taken together, TeliaSonera ranks 27th of 204 companies in environmental issues, and 18th of 239 companies in human rights.

Based on TeliaSonera’s preparedness in environmental, social and governance matters, the TeliaSonera share is also qualified for inclusion in the two indices OMX GES Sustainability Sweden and OMX GES Sustainability Nordic. These indices are based on research by GES Investment Services and have been developed together with OMX.

Assessing companies according to a number of sustainability criteria, Ethix SRI Advisors has identified 25 Nordic Sustainability Stars. TeliaSonera is included among the 25 companies that form the universe for the index SIX STAR which is a joint project between Ethix and SIX.

Sustainability indices as a quality indicator

Inclusion in a sustainability index is a quality indicator and recognition of a company’s CR work. Inclusion in a sustainability index also exposes the company shares to funds and members of the investor community that pick stock specifically from such indices.

For both these reasons it has been important to TeliaSonera to regain and strengthen our position in regional or global sustainability indices.
Case

Dialogue with ethical investors
As a group, TeliaSonera is committed to adopting a more transparent approach in response to stakeholders’ interest and concern over CR issues. Therefore TeliaSonera has reached out to ethical investors, rating houses and analysts for responsible investments to better understand their requirements.

Stakeholder survey
As part of the stakeholder and materiality analysis and to further improve the knowledge of the financial community’s expectations on TeliaSonera’s CR work, we conducted a stakeholder survey in the fall of 2009. Financial community represented 27 percent of all respondents. These results have helped us in setting the priorities for our future CR work.

Feedback from the financial stakeholders emphasized privacy issues and network integrity as overall priorities for the telecom sector, especially in countries with weak democracies and in new markets.

The need for a joint industry standard was forward. Another issue raised by analysts is business ethics and anti-corruption in supply chain management, focusing on countries rated by Transparency International as high risk countries. Being a responsible employer, showing leadership and reducing CO₂ emissions were also included as relevant CR matters for TeliaSonera.

In terms of communication, analysts sought more comprehensive reporting on group-wide efforts, in local context. There is a demand for more detailed reporting on specific operations and their market conditions, while at the same time there is a desire to have a broader picture of the dilemmas, threats and opportunities facing the telecommunication sector as a whole.

Enhancing dialogue with ethical investors
Among TeliaSonera’s shareholders there are investors with specific objectives with regard to CR issues.

During 2009, TeliaSonera has met with a number of ethical investor stakeholders to discuss CR practices in TeliaSonera, for example Swedbank Robur (Banco), Folksam, Nordea and SRI Ethix Advisors.

The most frequently discussed topics have been:
- TeliaSonera’s routines when entering new markets
- Network integrity
- Fair business practices

Previous concerns among ethical investors were attributed to the lack of a group-wide approach, where TeliaSonera’s practices in local markets were not perceived as being part of a systematic group approach in terms of implementation and monitoring.

TeliaSonera failed to recognize such concerns and disclose adequate information. As a consequence, in 2008 Banco Ethical fund decided to divest from TeliaSonera and we lost our position in the FTSE4Good sustainability index.

TeliaSonera has now addressed the quest for transparent communication of our efforts and practices in local markets and operations. Group management leadership and control in these matters were clarified in the process of reinforcing our group-wide approach to CR and establishing a group common Code of Ethics and Conduct in 2009.

The openness and willingness to engage in dialogue and transparent disclosure on TeliaSonera’s practices yielded results. In 2009, TeliaSonera gained re-inclusion in the FTSE4Good responsible investment index, confirmed its position in Swedbank Robur fund and was reinstated in Banco Ethical fund. Encouraged by this, TeliaSonera will continue to listen and seek feedback from stakeholders to further improve our practices and communication.

Anna Nilsson, Head of SRI analysis, and Charlotta Sydstrand, SRI Analyst from Swedbank Robur, comments: “Swedbank Robur’s department for sustainability analysis has had an ongoing dialogue with TeliaSonera for over ten years. In 2009 we intensified our engagement and initiated an in-depth dialogue with TeliaSonera. We have stressed the importance of a strategic commitment from group management that includes both majority-owned and associated operations. Maintaining high business ethics and human rights standards in central Asia are key in our sustainability analysis and will be a key issue for TeliaSonera in the years to come. Another concern is how TeliaSonera will manage sustainability risks in its supply chain, within its purchasing organization. The dialogue process has been fruitful and we appreciate TeliaSonera’s cooperative approach. We think that TeliaSonera has taken a clear stance on sustainability issues and enhanced its communication with stakeholders. We will continue to follow the development of TeliaSonera’s management on sustainability issues in upcoming years.”

For the indicators to this section, see Key indicators.
Contributing to economic and social development

Telecommunication services contribute to a better world by enabling more people to connect to others and access information, education and entertainment. Our services drive growth, improve transparency and market efficiency, thus helping the development of a more inclusive society where everyone can benefit and contribute.

Generating value and stimulating growth

Our objective is to be a long-term investor and a good corporate citizen in the communities where we operate. Through our services and investments in infrastructure we enable growth and economic development by creating direct or indirect job opportunities and financially contributing to the societies in which we operate through the taxes we pay.

TeliaSonera also runs several projects that contribute to the development of local communities, especially in markets where there are large social needs.

<table>
<thead>
<tr>
<th>EC1 – Generated and distributed value, MSEK, 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suppliers, 16,625</td>
</tr>
<tr>
<td>Employees¹, 14,806</td>
</tr>
<tr>
<td>Shareholder dividends, 8,083</td>
</tr>
<tr>
<td>Tax, 6,334</td>
</tr>
<tr>
<td>Financial interest, 2,710</td>
</tr>
</tbody>
</table>

¹ Including social costs.

Towards digital inclusion

TeliaSonera is committed to bridging the digital divide by developing infrastructure and services that are accessible across our markets. We actively engage in initiatives to promote digital literacy and projects that contribute to sustainable development of local communities. We believe that society is strengthened when all citizens, whatever their backgrounds, can connect to the digital community. Despite the positive societal aspects of telecommunication services, the gap between those who have access to global information and communication networks and those who do not still exists in mature as well as emerging markets.

For instance, in mature markets the majority of job opportunities are announced online, and most of the essential services in society, including health care facilities and banks, use websites to provide information about their services. Those who have access and the ability to use modern communication technologies enjoy advantages over those who do not.

This digital divide is often linked to factors such as income, age, training and geographical location. TeliaSonera is helping to bridge the digital divide by expanding the coverage of our communication infrastructure, and bringing expertise and low-cost solutions to our markets.

Expanding coverage across our markets

TeliaSonera continuously improves network coverage by investing in both mobile and fixed infrastructure each year. We are expanding coverage not only where people live, but also where they work, travel and spend their leisure time.
At present our mobile coverage extends to approximately 100 percent of the population in Sweden, Finland, Norway, Denmark, Lithuania and Estonia.

During 2009 in Denmark, we have developed the existing 3G network with additional sites and greater capacity, resulting in 35 percent increase in 3G coverage.

In Eurasia, coverage has expanded as our operations grow; now also reaching areas which are geographically difficult to access. For instance, in Azerbaijan, Moldova and Georgia mobile coverage reaches between 95-100 percent of the population, whereas in Kazakhstan, Uzbekistan and Tajikistan the coverage currently exceeds 80 percent of the population. In Nepal and Cambodia current coverage reaches about 60 and 40 percent of their populations respectively.

In addition to basic mobile coverage we are increasingly investing in new technologies to provide efficient and secure internet connections.

The service level and coverage of our networks is in compliance with the provisions defined by local regulations and frequency licenses of all of our markets.

**Sparsely populated areas and remote locations**

Coverage in less populated areas must also be taken into consideration because people travel and move in these areas. We have several improvements ongoing in these.

For instance, in Finland, we continue to expand our coverage in 900 MHz network in sparsely populated areas. In addition, we operate as a service operator in Digita’s 450 Mhz network.

In remote and low traffic locations in Nepal, TeliaSonera is establishing base stations with lower capacity to start building coverage.

In Tajikistan, Indigo and Somoncom are working to cover the most hard-accessed areas of the country, where 93 percent of the territory being mountainous. Indigo was the first operator in the country to provide mobile connection in GBAO, Pamiri Mountains, in 2009.

Azercell is providing access to communication services to almost 100 percent of the total population in Azerbaijan, including villages with as few as 274 inhabitants.

At the moment, Kcell offers the largest coverage in Kazakhstan. During the year, Kcell’s network expansion allowed mobile communication coverage of all villages with populations of over 1,000 inhabitants. Azercell’s 900 MHz network covers 93 percent of the villages with populations over 2,000, and about 65 percent of the villages with populations of over 1,000 inhabitants.

**Drivers for change**

The relatively low penetration of telephony in emerging markets represents a growth opportunity for TeliaSonera, and the Eurasian market area is thus the growth engine of the group. During 2009 our services reached approximately 4.1 million new subscribers in this region.

Mobile connectivity and penetration is key stimulus of economic and social development. Demand for our services is driven by:

- Growing populations
- Rising standards of living
- Growth of the middle classes
- Limited fixed telecommunication networks

**Efforts resulting in progress**

We operate with many price levels to make services affordable across our markets. For example, Yoigo was the first low cost brand in Spain, and many markets offers special price packages targeted towards students or the elderly.

In all markets we engage in different ways to introduce people to new services and help to develop their digital literacy. For example, in Estonia we have organized internet training courses for 100,000 people during three years. In Lithuania, Omnitel aimed at improved safety by donating 2,000 mobile phones and subscriptions to citizens living in remote country houses.

**Sustainable community development**

TeliaSonera has a long tradition of working together with the local communities in our markets. While the Nordic welfare system addresses social issues well, social projects are crucial in areas such as Nepal where half of the population lives below the poverty line.

TeliaSonera is committed to helping local societies develop through our services, promoting digital literacy and engaging in social projects to support sustainable development.

Providing telecommunications infrastructure enables societies and communities to develop economically and socially, in an environmentally sustainable way. Telecom services make markets more efficient, reduce transaction costs, increase productivity and enable the development of better transparency and governance.

TeliaSonera’s network infrastructure enables a platform for communication services for our own operations as well as for a large number of virtual network and service operators. For example, more than 85 percent of all European internet service providers connect directly to TeliaSonera International Carrier global IP network.

**Emergency disaster relief**

TeliaSonera assists rescue work and disaster relief in cases of major catastrophes, for instance flooding in the countries where we operate.

TeliaSonera manages continuity of services according to implemented Policies for Business Continuity and Crisis Management. We develop and uphold robustness to withstand disturbances and readiness to recover from possible disasters.

In the Nordic countries detailed plans have been made for crisis management and emergency policies plans, often in cooperation with national authorities. The same applies in Spain and Lithuania.

In Eurasia, most of our companies have mobile base stations that can be set up in areas affected by disaster. The networks are designed in such a way that traffic can be re-routed through alternative network nodes. In case of electricity cuts, which can be quite frequent in Eurasian countries, base stations are powered by electricity from back-up batteries and/or diesel generators.

**Engagement with authorities and governments**

TeliaSonera works in close collaboration with international and national governmental authorities, law enforcement and social organizations to help communities.

In our industry, governments control operator licenses, frequencies and other prerequisites for operations. While, engaging with governments and authorities is a regular part of the group’s business, TeliaSonera always observes fair business practices and acts in accordance with strict standards to avoid any inappropriate advantages and uphold fair competition.

**Does not engage in politics but in policy**

TeliaSonera does not engage in the politics of the countries in which we operate. TeliaSonera has a policy of not making political donations, and in line with this policy, none were made in 2009. However, TeliaSonera does engage in dialogue regarding regulations that affect our business.

The objective of TeliaSonera’s engagement in public policy is to promote a regulatory environment that is:

- Stable and foreseeable
- Encourages investments and innovation
- Promotes equal opportunity and innovation
In 2009, TeliaSonera focused its public policy engagements on the following areas:

- The review the EU Regulatory Framework for electronic communications
- Roaming pricing and regulation
- Interconnection and access to networks
- Openness / Net Neutrality
- Radio Spectrum
- Copyright
- Privacy

Promoting equal competition is an objective of TeliaSonera's engagement in public policy. In wholly-owned TeliaSonera companies there were 12 ongoing legal actions for anti-competitive behavior, antitrust, and monopoly practices in 2009.

In Eurasia we participate actively in promoting modern and transparent telecommunication laws and regulation, helping to level the playing field and create fair conditions for all market participants.

Our engagement with regulators is conducted in a fair and transparent manner, sharing experience and opinions. Political independence is crucial in maintaining our integrity.

Mobile devices, masts and health

TeliaSonera’s mobile services depend on a network of base stations. Stakeholders are consulted and health concerns and visual implications are discussed before mast location is established.

The practices of engaging with local communities in decisions on base station siting may vary by country, in order to take account of the differences in local planning legislation. TeliaSonera fulfills the requirements as set by local authorities.

Location sharing with other operators

Whenever possible, we share the location of masts and base stations with other mobile-operators to reduce environmental impact, costs and thus the total number of base stations needed.

71 percent of our base station sites are located on shared sites or sites placed on existing structures, such as:

- High buildings
- Electricity towers
- Highway lighting poles

Thus less than 30 percent of the base stations sites are currently built in new locations. In addition, we reduce the visual impact by, for instance, enclosing wires in tube in same color as the surroundings. We seek to have as little visual impact as possible.

EMF concerns

TeliaSonera recognizes the concerns related to exposure from electromagnetic fields due to the increased number of mobile terminals and base stations.

We cooperate with authorities, associations and organizations, and support independent research in the area. Our commitment to fair and transparent practices with regard to EMF is clearly stated in the revised group Code of Ethics and Conduct.

TeliaSonera follows the EMF norms that have been issued by WHO and the United Nations to ensure human health and safety. TeliaSonera has a public EMF policy and a dedicated team responsible for coordinating group measures and activities around the EMF issue.

TeliaSonera acts according to the EU Directives and Council recommendations regarding the limitation of exposure of the general public to electromagnetic fields. All base stations provided to TeliaSonera by its suppliers must comply with ICNIRP guidelines. Guidelines set a maximum SAR (Specific Absorption Rate) value of 2W per kg for a mobile phone.

Our achievements 2009

Project to increase internet services in rural areas

In Lithuania, TEO made efforts to increase availability of internet services in rural areas and small towns during using the facilities of the European Union sponsored project, Rural Area Information Technology Broadband Network (RAIN) during 2009.

A new generation of fibre-to-the-home (FTTH) networks has been speedily developed during the year, as well as digital inland television transmitters’ network in different parts of the country.

Free use of wireless internet in Lithuania

This year TEO has offered an opportunity to use wireless ZEBRA internet for free in the centers of the two largest cities – Vilnius and Kaunas.

Using the wireless internet infrastructure, the campaign aimed to encourage the usage of wireless internet among the residents and visitors of these cities. Vilnius was the European Capital of Culture in 2009, attracting international tourists. The Vilnius campaign, running from June to November, increased the internet usage in free wireless zones by 50 percent. In Kaunas, the campaign runs from August 2009 to the fall of 2010, and is already showing a user increase of 150 percent.

Omnitel promotes family-friendly attitudes

In Lithuania, Omnitel is participating in an EU sponsored project to create a more family-friendly workplace and improve life for socially vulnerable families. The project will last for three years.

As part of Omnitel’s consistent aim to provide a family-friendly workplace and continue to be a responsible community partner, the company is implementing the project “Creation of A Family-friendly Workplace and Promotion of Quality Employment in the Country through Social Partnership”, from autumn 2009.

This project will be implemented with its partners “Save the Children Lithuania” and the Continuing Studies Institute of Šiauliai University. The project will involve the planning and implementation of the following educative initiatives:

- Training workshops for Omnitel managers and employees about measures promoting reconciliation of work and family obligations
- Employees in all regions will be consulted on this matter by specialists – psychologists and family law professionals
- For lower-income earning families of employees itinerant individual training sessions will be organized

At present there are 30 child day-care centres in Lithuania; the purpose of which is to reduce the exclusion of children, strengthen socially disadvantaged families and develop the abilities of parents to take better care of their children.

Azercell advocates children’s rights in Azerbaijan

Azercell Telecom has for the third consecutive time received the “Leave No Child Out” National Public Award for its activities in the field of children’s rights protection.

The award is part of a joint campaign by the Azerbaijani NGO Alliance for Children’s Rights and the State Committee for Family, Women and Children’s Issues.

In 2009, Azercell was also awarded as the “Year’s Most Socially Responsible Company” contributing to protection of children’s rights and well-being with its projects “Every Child Needs a Family” and “Child Helpline”.

The projects aim at increasing awareness, improving the situation of parentless children, and increasing the number of child adoptions. The “Child Helpline” is a 24/7 telephone line where children can call to report various incidents and access psychological and legal help.
Omnitel helping the elderly in rural areas
Together with the police and local authorities, Omnitel has launched a project “Safety for the residents in the remote country houses”. In the fallout of the economic slowdown, crime has increased strongly in Lithuania.
Consequently, people living in remote houses often feel unsafe. There is no fixed network in these regions, and especially older people, who are not used to mobile phones, therefore feel uneasy.
During June and July, a total of 2,000 pre-paid mobile phones were handed over to people in remote houses across Lithuania, so that they can call for help should anything happen. Each month, 10 Lithuanian litas (about EUR 3) worth of talk time is loaded on the phones.
The police have marked the mobile phones, and the houses with mobile phones have been provided with stickers stating “This house is protected by Omnitel and police”. The labels keep burglars away and inform neighbours that there is a mobile phone in the house.

Supporting local communities in Eurasia
In Eurasia, TeliaSonera Eurasia has taken the lead in supporting and developing social issues relevant in the local context. Among many things they have been contributing to the spheres of:
- Education and training
- Healthcare
- Cultural events
- Revival of local traditions
- Restoration of objects of national architectural and arts heritage

Examples of local community projects in Eurasia include creating the first mobile dental clinic in Azerbaijan, particularly aimed at giving vulnerable children access to health care and providing a children’s village in Kazakhstan with IT-connections and equipping local schools with PC’s.
Also, TEO is one of the biggest contributors to community development projects in Lithuania and has a long standing history of community involvement.
In Denmark Telia supports “Natteravnene” with prepaid calling cards. “Natteravnene” is an organization, where adults walk around in streets of cities in order to increase security among children and young adults.

Case

Come Along! reaching 100,000 Estonians
In Estonia, the Eesti Telekom Group (EMT, Elion, MicroLink) together with the foundation Vaata Maailma initiated the project Come Along! in May 2009. The goal is to provide basic and supplemental internet training courses for 100,000 people during the next three years.

The Come Along project use buses to be able to reach their target groups in the rural areas.

Survey reveals large potential
In a survey conducted in 2008, 59 percent of households in Estonia owned a personal computer, and 52 percent of households had internet connections at home. At the same time, 67 percent of the Estonian population aged 15–74 used internet. This translates into about 300,000 of adult Estonian citizens not using the internet.
The Come Along! project has significant potential to help people to overcome their skill and motivational barriers and start using the internet.

Internet provides access to everyday services
Increasingly existing services are made available over the internet, and the number of internet-based applications continues to increase on a daily basis. Such applications and services are not available for people not using the internet. A study by the Estonian Ministry of Economy and Communications differentiate between to what degree people in Estonia are using information and communication technologies to improve their quality of life.
The target groups of the project are those who stand to benefit the most from the opportunities presented by the internet, primarily:
- Families with kids
- Rural population
- Older generation
- People on low and medium income
Come Along! helps to reduce the information gap in the society, by facilitating the internet use through free classes, discounted computer and internet connection.

Activities and results
Come Along! aims at organizing basic and advanced computer classes for 100,000 people and getting additional 50,000 families to use the internet over the course of three upcoming years (2009–2011).

Participants will get the option to purchase a new or used computer with internet connection of a significantly reduced price. By the end of 2009, more than 27,500 persons had received basic or supplemental courses on usage of internet, e-services, ID card and Mobile ID.

Childhood ten years: TeliaSonera partner in work to protect children
In September 2009, World Childhood Foundation celebrated its ten-year anniversary with an international seminar. TeliaSonera is a founding member of World Childhood Foundation.

The work is aimed at the most marginalized children, those most often ignored and forgotten. Childhood is as valuable partner for the telecom industry in protecting children on the internet.

The ten-year anniversary seminar arranged in Stockholm, Sweden, addressed the theme 'How can internet be used as a tool to help and assist children and youth at risk' in presence of Her Majesty Queen of Sweden and Her Royal Highness Princess Madeleine.

TeliaSonera in international panel
Cecilia Edström, TeliaSonera Senior Vice President and Head of Group Communications, participated in an international panel on what is, should and could be done by the telecom sector. She pointed out that TeliaSonera is in the forefront of introducing new services and technology which provide faster and safer access to telecommunications.

"Internet access and telecommunication services contribute to social and democratic development. We must, however, acknowledge that there are problems and unwanted side effects such as bullying and sexual abusive images featuring children. In order to tackle these problems, politicians, NGO’s and the industry need to cooperate and Childhood is an essential partner for TeliaSonera to address these problems”, said Cecilia Edström.

Educate children about internet dangers
Her Majesty Queen Silvia highlighted the importance of educating children about the dangers of the internet. Commissioner Viviane Reding told she since long uses her mobile phone to inform and be informed.

"New communication services provide huge possibilities for a new life”, she said, but also stressed the importance of NGO’s to assist the EU and various authorities to address problems on the internet. "Trying to keep children away from the internet and social media will not work”, she said. “Rather there is a need for education and awareness rising activities.”

Some 130 participants from different organizations and geographies engaged in work to protect children on-line participated.

Come Along! focuses on:
- Training and user support – basic and advanced internet training (co-financed by European Regional Development Fund) and further advice
- Hardware – affordable computers for the new internet users
- Internet connection – affordable wireless and wired broadband connection
YouthBank engages and involves the young generation in Kazakhstan

YouthBank wants to inspire and motivate young people in Kazakhstan to get involved in the development of their communities, while at the same time provide opportunity for professional development. YouthBank was initiated by Kcell together with the Eurasian Foundation Central Asia (EFCA) in 2009.

The YouthBank projects aim to create opportunities for young people to develop professionally, says Aida Dossayeva, Corporate Communications Department Head at Kcell.

A growing economy hit by the crisis

Largely thanks to vast natural resources and the energy sector, Kazakhstan’s economic development has been very positive since 2000. But volatility in oil and metal prices, together with the global financial crisis, has affected the economy negatively.

Some of Kazakhstan’s most important challenges ahead are to achieve sustainable economic growth, identifying growth opportunities outside the extractive sector and to develop a cohesive national identity. With a relatively young population, where close to 60 percent live in urban areas, the mobile use is increasing rapidly.

TeliaSonera subsidiary Kcell is the market leader in mobile communication, with over seven million subscriptions.

Developing the young while giving back

“YouthBank aims to create opportunities for young people to develop professionally, while at the same time contribute to the development of their communities. An overall objective is to stimulate volunteerism and civic activism, and the management of the YouthBank program itself will be a way to demonstrate democratic and transparent governance in practice. The target group for the program is young persons in the age of 15–24 years. Through the YouthBank they can stimulate community development initiatives through small grants”, says Aida Dossayeva, Corporate Communications Department Head at Kcell.

For the indicators to this section, see Key indicators.
Focusing on energy and climate
TeliaSonera takes environmental responsibility in our business operations by being energy efficient, choosing telecommunications solutions instead of travel and by responsible handling of waste. We help to address climate change by offering products and services that reduce our customers’ environmental impact, at the same time increasing their efficiency and well-being, as well as reducing costs.

Services with environmental benefits
Telecommunications services offer a range of possibilities for environmental protection. We offer services to our customers that can increase their productivity and energy efficiency while minimizing travel, resulting in reduced CO₂ emissions, time savings and cost efficiency.

Across the group, we prioritize the use of telecommunication services to minimize our business travel and to work more efficiently regardless of time and location.

Together with our partners and customers, we aim to reduce our carbon footprint and contribute to fighting climate change.

We are working with a selected number of large corporate customers to define the role that telecommunication can play in optimizing their communications, energy and logistical needs, including unified communications services, teleconferencing, videoconferencing or introducing wireless heating and cooling controls.

The ICT industry to lead the way
As part of the international debate on climate, the EU has committed to challenging targets for renewable energy, reduction of emissions and striving towards increased energy efficiency.

The EU has identified the ICT sector as one of the key drivers in the transition to a low-carbon economy and, in October 2009, adopted a recommendation for the industry and the EU member states to intensify actions towards ambitious targets and best practices.

A challenge going forward is to establish a common methodology for measuring energy efficiency that can be disseminated across countries and sectors. The aim is to have a common international standard for measuring both industry’s own direct environmental impact and the enabling effect for other industries.

To make an active contribution, TeliaSonera is working internationally through telecom industry organizations ETNO and GSMe, both members of GeSi, where the issues are addressed from a global ICT perspective.

TeliaSonera also contributed in the preparation for the climate conference in Copenhagen in December 2009, COP15, for example by participating in the World Business Summit in Copenhagen in May 2009, where the business contribution for COP15 was drafted.

Group environmental commitment
As a group, TeliaSonera confirmed our commitment to operate in an environmentally sustainable way in the Code of Ethics and Conduct introduced in 2009.

In order to minimize our environmental impact we strive to use raw materials and energy as efficiently as possible, as well as to reduce waste. However, there are large regional differences within the group.

TeliaSonera companies in the Nordic and Baltic regions are leaders in environmental development. For instance, in Sweden environmental management systems are based on the ISO-14001 standard. In other parts, the local conditions, including
shifting availability of energy sources and priorities on the public agenda, pose challenges to implementing uniform standards across the group.

TeliaSonera is working to raise environmental awareness and practices across all parts of the group in long term. We constantly strive to maximize the use of best practices and synergies between our businesses and aim for environmental target setting for the group.

For example, in Sweden the energy-related targets are to:

- Reduce CO₂ emissions from operations by four percent annually
- Increase energy efficiency by five percent annually
- Increase customers’ use of telecom services by ten percent annually

During 2009, TeliaSonera made progress with reporting practices across the group. The reporting of environmental performance for scope 1 and 2 emissions now includes information from 80 percent of our markets, and for the other key indicators half of the markets excluding International Carrier operating countries. Future improvement areas remain especially in ensuring quality of data in terms of consistency, completeness and comparability.

**Energy efficiency in focus**

Resource efficiency is a cornerstone of TeliaSonera’s operations, from the energy needed to run our networks and offices to replacing business related travels with teleconferences or videoconferences.

Energy issues in general – and CO₂ emissions in particular – are issues to which TeliaSonera wants to pay special attention.

New and innovative cooling solutions for network production facilities, including data centers, are examples of steps we are taking to help increase energy efficiency.

**Energy efficiency is a business matter**

Our customers demand 24/7 connectivity, and at the same time they, especially corporate customers, are asking what TeliaSonera is doing to tackle climate change. In fact, the energy consumption required to run our own operations makes up the major part of our calculated carbon footprint.

In 2009, the emissions from purchased electricity, heating and cooling that is needed to manage the networks 24/7 amounted to 69 percent of total reported CO₂ emissions. Even with cutting edge technology, all telecommunications operators need energy to operate networks and services.

As the price of energy and electricity increases, this has both financial and environmental implications. Therefore, one of TeliaSonera’s current priorities is to find more energy-efficient solutions for our networks and data centres. This makes sense from a business and environmental perspective.

**Progress of heating and cooling techniques**

As the technique evolves, the size of equipment diminishes as does the energy needed to operate it. In TeliaSonera network production facilities cooling costs make up a significant share of maintenance costs.

Any technology that reduces the energy needed to run the operations also reduces the cooling needs, creating significant potential energy savings. Meanwhile, in some operations the excess heat can be reused to replace purchased energy, and we continuously look for alternative cooling solutions.

Where feasible, facilities use water from lakes, seawater or free air for cooling. In Sweden we have tested fuel cell powered alternatives which are also being tested in Spain.

By reducing the energy needs deriving from operating network equipment and their cooling costs, TeliaSonera can significantly lower overall energy costs.

There are several initiatives ongoing on how to manage our operation facilities and networks more efficiently. An initial estimation of ongoing or finalised projects during the year reveals a potential annual saving of at least 11.3 GWh.

**International energy commitments**

TeliaSonera signed the EU code of conduct on Energy Consumption of Broadband equipment in 2008. In line with this, we intensified discussions on energy efficiency with suppliers of broadband equipment and included energy criteria into TeliaSonera CR requirements for suppliers.

Locally, our operations are encouraging suppliers to update their equipment to comply with the EU code. For instance, Telia Stofa in Denmark has involved several suppliers in discussions of energy efficiency.

In addition, TeliaSonera is participating in a number of related industry initiatives, for instance the ETNO Energy Task team and GeSi Energy Efficiency Inter-Operator Collaboration Group (EE IOC) which are involved in initiatives to tackle energy efficiency management and investigating possibilities for standardization.

Internally, TeliaSonera is developing ways to improve, monitor and report on compliance with the EU code of conduct both in the network part and the customer placed equipment area.

**Use of renewable energy**

TeliaSonera has an ambition to increase the use of renewable energy in our operations. The Nordic countries are leading this development.

In Sweden, TeliaSonera continues to have 100 percent purchased electricity from renewable sources without CO₂ emissions. Finland signed a contract for renewable electricity beginning in last quarter of 2009 and reaching full effect in 2010. This makes us, at the time of signing the contract, the largest company in Finland to do so. We have tested wind turbines for back-up power in Finland, and sun powered systems in Eurasia. Our Norwegian operations continue to run on hydroelectricity. In Eurasia alternative sources are also evaluated on an ongoing basis.

The calculated share of renewable energy from the group’s purchased electricity consumption was 64 percent in 2009.

**Handling waste**

Handling waste from TeliaSonera operations is an increasingly relevant environmental issue.

During 2009, the total weight of waste increased by approximately 33 percent compared with 2008. The increase is partly due to the expanded scope of reporting entities and due to a major network upgrade project in Finland during the year.

The share of waste that is recycled varies greatly between countries, from 20 percent to over 95 percent. TeliaSonera actively promotes recycling of electronic waste in various national initiatives aimed at facilitating recycling for customers.

One example is “Mobilkomposten”, introduced in 2009 in Denmark. In Finland, used data computer equipment from business customers has been re-used, recycled or traded back to the suppliers since 2005.

Of total waste in 2009, 60 percent is categorized as hazardous waste. Because of the upgrade of networks, old poles are being dismantled and make up a large share of the current hazardous waste; something that is symptomatic for the industry. In addition, batteries, lamps and certain cables are classified as hazardous waste.

TeliaSonera selects waste management suppliers with high environmental standards and performance to handle all respective waste categories.

**Our achievements 2009**

**Electronic billing on the rise**

Electronic billing, as a substitute for paper invoices, saves resources and energy. A report on climate change compiled by ETNO and WWF already in 2006 says that if about 100,000 customers switched over to using electronic bills, this would cut carbon emissions by 10.94 ton per year.
The calculations only included the effects from paper manufacturing and recycling but not transport, which would have resulted in even more reductions. In 2009, Sonera was the leading company in Finland in e-invoicing with every fifth invoice being electronic. Of all Sonera business customers, over 40 percent receive electronic invoicing. More than 40 percent of residential broadband customers, and 16 percent of all residential customers, receive electronic invoicing, which is three-fold more than the average percentage of electronic invoicing in Finland.

Paper invoices sent to customers still equals a two mile high stack of papers. The electronic invoice makes it easier and more efficient to process invoices in addition to reducing the environmental impact.

Since October 2009, Sonera has charged EUR 5 for paper bills sent to companies in an effort to steer business customers towards electronic billing. This has shown visible results, 50 percent quantum leap in five months.

Omnitel in Lithuania replaced paper bills with electronic bills for all private post-paid clients receiving monthly bills. At that time 37 percent of clients used electronic forms, the figure has now gone up to 94 percent with the target to reach 100 percent.

Looking for alternative energy solutions in Eurasia

In order to secure the network reliability, all TeliaSonera Eurasia operators are using diesel generators to cover the gaps in the availability of public electricity.

The actual usage of the diesel generators is dependent on the quality of the national electricity networks. In 2009, less than ten percent of the base station sites were dependent on diesel generators alone for continuous power.

There are ongoing efforts to apply alternative energy sources. For instance, in Nepal there are 20 TeliaSonera base stations now using solar power as the main energy source. In two other Eurasian countries solar power is used as an alternative source.

Less e-waste with “Mobilkomposten”

Telia in Denmark introduced “Mobilkomposten” in 2009, which aims to get customers to hand in used mobile phones, and thereby ensure the correct disposal of electronic waste.

Containers have been placed in Telia shops and at Holmbladsgade to collect the used telephones, and pamphlets with information about “Mobilkomposten” are enclosed, when customers buy new mobile phones. The disposal of the mobile phones that are collected is handled by a reputed external partner in environmental solutions.

Quest for energy efficiency in Spain

In Spain, Yoigo is striving to enhance energy efficiency of the network in multiple ways. Modernizing telecommunications equipment, power transformation systems and cooling systems present great potential savings.

Together with suppliers, Yoigo is exploring the possibility of introducing fuel cell power backup in some base stations, in order to limit fossil energy consumption. In addition, suppliers of equipment are assessed based on their skills in the area of energy efficient design.

More than 25 percent of Yoigo’s base stations are “main remote”, which allows camouflage that results in a reduced need for cooling systems. In order to reduce the visual impact, more than 36 percent of Yoigos’ base stations have been camouflaged, combining design and environmental benefits. In 80 percent of the sites Yoigo uses free air cooling, which saves energy and reduces costs.

Volunteering as green ambassadors

For several years, TEO in Lithuania has run an internal environmental project called “Save Resources and Change Yourself”. In 2009, a number of TEO employees volunteered as “Green ambassadors” promoting environmental awareness by encouraging colleagues to save energy in offices, using video transmissions and putting informative stickers in places most visited. In recognition of the project, TEO has been selected as the Greenest business company in Lithuania.

Case

Walking the talk

TeliaSonera’s efforts stand to show that telecommunications are key to saving time, money and the environment.

We offer and use video and teleconferencing services, internal web messaging with web cameras and video streaming to make it easy to communicate effortlessly within the company, for instance when disseminating information, training or usual meetings. Travel restrictions further encouraged the usage of virtual meeting methods.

By using TelePresence for your meeting instead of travelling, you can save time, money and the environment.

During the year, operations in Finland and Sweden have seen a rapid positive development compared to previous year. In 2009,
videoconferencing almost tripled with more than 6,500 meetings in 40 locations.

At the same time, air travels between locations equipped with TelePresence equipment and Stockholm decreased by 44 percent compared to 2008.

560 TelePresence videoconferences were held in Helsinki and Gothenburg in 2009. Assuming two persons from Gothenburg and two from Helsinki would have had to travel to Stockholm to physically attend these meetings, we calculated these virtual meetings to save 35 working months in travel time; eight MSEK in travel costs and 141 metric tons CO₂.

CO₂ emissions from travel reduced by 32 percent
With a year characterized by heavy travel restrictions, cost efficiency programs and increased use of virtual meetings, TeliaSonera was able to decrease CO₂ emissions from business travels by 32 percent down to 10.8 million metric tons CO₂.

In Baltic, decrease was even greater with 43 percent decline in CO₂ emissions. At the same time, travel costs decreased by 43 percent in local currencies in Nordic alone.

“I am really happy to see that we have made such good progress and that our efforts are continuing. It’s vital that we live as we preach and that we show our customers how to use tele-communications services to reduce costs, become more efficient and reduce environmental impact,” says Sverker Hannervall, Head of TeliaSonera Business Services.

Meeting customers efficiently
2009 was the year when TeliaSonera in Sweden took the customer meeting to the next level. Launched during the autumn on a trial basis, webinars are now becoming an important tool in meeting customers in a new and efficient manner. Instead of travelling across Sweden, TeliaSonera customers can sit in the comfort of their own office and follow presentations on the web.

To date, TeliaSonera has arranged 15 webinars on topics such as security, green IT and unified communications.

Shift in behavior here to stay
“We see a behavioral shift not only in our own company but also among our customers. I am convinced that the increased use of teleconferencing and videoconferencing services will continue also when we are clear of the current recession,” Sverker Hannervall says.

The first green team kick-off ever at TeliaSonera was held in August 2009, when the team for Public Sector sales gathered all 100 employees via video and telemeeting. In doing so, TeliaSonera saved 500,000 SEK and many hours of travelling. Teleconferencing remained the most frequently used technique, with over 240,000 internally initiated meetings held in Finland and Sweden last year.

“The online meeting can never fully replace a physical meeting between two persons. But it is a great complement,” Sverker Hannervall concludes.

Baltic Data Center first in the Baltics with liquid-cooled data center
The Baltic Data Center (BDC), a daughter enterprise of TEO in Lithuania, was recognised as the best data centre in Central and Eastern Europe and awarded by the Data Centres Europe International conference in 2009 for being the first in the Baltic States liquid-cooled data centre. This technique reduces the electrical energy usage to less than a third compared to usual cooling technology.

During 2009, the data centre in Vilnius was upgraded, having earlier been functioning on the basis of old technology.

According to Saulius Markūnas, Director of Baltic Data Center, the choice of cooling of the data centres with liquid allowed them to substantially increase its efficiency – the major part of the premises were allocated for servers, not the cooling equipment.

“The environmental aspect was very important for choosing the technology, because having chosen the latest technologies, the amount of energy saved will be equal to that consumed on average by approximately 1,000 families”, Saulius Markūnas says.

Many advantages compared to conventional cooling
Conventional data centres are cooled with air, which consumes up to three quarters of the total electrical energy required for the server operation. Instead, a special liquid is used, which absorbs the heat emitted by server processors and later cools down outdoors or in a designated cooling environment.

The new liquid-cooling system constantly monitors the temperature of the servers and respectively adjusts the supplied quantity of the cooled liquid. Energy efficiency is also ensured by the possibility to simply cool the liquid outdoors when the air temperature is below ten degrees Celsius.

Future energy saving plans for 2010
BDC continues to develop more ecological and energy saving ways to manage the operations. In 2010, they plan to open the first data centres in the Baltic countries using Kyoto cooling technology. Calculation shows that cooling with Kyoto technology uses two times less energy than using liquids and up to ten times less than traditional cooling technologies.

The BDC is also the first company in its sector in the Baltic States to have its practices evaluated and certified according to the international standard ISO 27001, confirming that the company’s activities comply with the strictest requirements for information security.

For the indicators to this section, see Key indicators.
Key indicators

Key CR indicators

<table>
<thead>
<tr>
<th>Economic impact at Dec 31</th>
<th>2009</th>
<th>2008</th>
<th>2007</th>
<th>Change % from previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>TeliaSonera Group net sales, MSEK</td>
<td>109,161</td>
<td>103,585</td>
<td>96,344</td>
<td>5.4</td>
</tr>
<tr>
<td>Income taxes, MSEK</td>
<td>6,334</td>
<td>4,969</td>
<td>4,953</td>
<td>27.5</td>
</tr>
<tr>
<td>Total personnel expenses, MSEK</td>
<td>14,806</td>
<td>15,056</td>
<td>13,477</td>
<td>-1.7</td>
</tr>
<tr>
<td>Goods and subcontracting services purchased, MSEK</td>
<td>16,625</td>
<td>16,016</td>
<td>17,271</td>
<td>3.8</td>
</tr>
<tr>
<td>Investment in infrastructure (CAPEX), MSEK</td>
<td>14,007</td>
<td>15,795</td>
<td>13,531</td>
<td>-11.3</td>
</tr>
<tr>
<td>Market capitalization, MSEK</td>
<td>233,000</td>
<td>175,000</td>
<td>272,000</td>
<td>33.1</td>
</tr>
<tr>
<td>Dividends paid to owners of parent company, MSEK</td>
<td>8,083</td>
<td>17,962</td>
<td>28,290</td>
<td>-55</td>
</tr>
<tr>
<td>Shares held by PRI signatories, %</td>
<td>11</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Employees</th>
<th>2009</th>
<th>2008</th>
<th>2007</th>
<th>Change % from previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of employees Dec 31</td>
<td>29,734</td>
<td>32,171</td>
<td>31,292</td>
<td>-7.6</td>
</tr>
<tr>
<td>Women in the workforce, %</td>
<td>44</td>
<td>44</td>
<td>44</td>
<td>0</td>
</tr>
<tr>
<td>Women in senior management, %¹</td>
<td>36</td>
<td>32</td>
<td>23</td>
<td>12.5</td>
</tr>
<tr>
<td>Women in the board, %</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td>0</td>
</tr>
<tr>
<td>Number of managers included in Performance Management</td>
<td>300</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Employee commitment score (ECS), survey conducted in five Nordic/Baltic countries</td>
<td>68</td>
<td>63</td>
<td>61</td>
<td>7.9</td>
</tr>
<tr>
<td>Employee commitment score (ECS), survey conducted in eight Eurasian countries</td>
<td>88</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Number of employees trained in revised Group Code</td>
<td>760</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Number of occupational injuries</td>
<td>45</td>
<td>63</td>
<td>74</td>
<td>-28.6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Customers</th>
<th>2009</th>
<th>2008</th>
<th>2007</th>
<th>Change % from previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of subscriptions, millions²</td>
<td>148</td>
<td>136</td>
<td>117</td>
<td>8.8</td>
</tr>
<tr>
<td>Total number of subscriptions, wholly-owned and majority-owned operations, millions</td>
<td>48.5</td>
<td>43.5</td>
<td>36</td>
<td>11.5</td>
</tr>
<tr>
<td>Customer satisfaction (EPSI), survey conducted in five Nordic and Baltic countries</td>
<td>67.6</td>
<td>68</td>
<td>67.3</td>
<td>-1.5</td>
</tr>
<tr>
<td>Customer satisfaction (EPSI), survey conducted in three Eurasian countries</td>
<td>80.6</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Environmental impact</th>
<th>2009</th>
<th>2008</th>
<th>2007</th>
<th>Change % from previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchased electricity consumption in MWH</td>
<td>1,000,868</td>
<td>920,453</td>
<td>789,501</td>
<td>-2³</td>
</tr>
<tr>
<td>Renewable electricity, %</td>
<td>64</td>
<td>73</td>
<td>63</td>
<td>-²</td>
</tr>
<tr>
<td>Waste, metric tons</td>
<td>35,643</td>
<td>26,701</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Direct and Indirect CO₂ emissions (Scope 1 and 2), metric tons CO₂</td>
<td>178,911</td>
<td>112,721</td>
<td>75,752</td>
<td>-²</td>
</tr>
<tr>
<td>Business travel (part of Scope 3), metric tons CO₂</td>
<td>11,630</td>
<td>16,024</td>
<td>21,338</td>
<td>-²</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Suppliers</th>
<th>2009</th>
<th>2008</th>
<th>2007</th>
<th>Change % from previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sourcing managers trained in CR and ethics, %</td>
<td>100</td>
<td>26</td>
<td>–</td>
<td>385</td>
</tr>
<tr>
<td>Group Sourcing purchasing volume covered by new CR requirements, %</td>
<td>70</td>
<td>30</td>
<td>–</td>
<td>233</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Society</th>
<th>2009</th>
<th>2008</th>
<th>2007</th>
<th>Change % from previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total social investment, MSEK</td>
<td>45,287</td>
<td>63,537</td>
<td>–</td>
<td>-28.7</td>
</tr>
</tbody>
</table>

¹ Senior management includes members of the board, presidents and other members of executive management teams at corporate, business area or company levels.
² Not comparable due to updated scope and new region added in 2009.
³ Including wholly-owned and majority-owned operations and associated companies.
Customers

PR5 – Practices related to customer satisfaction, including results of surveys measuring customer satisfaction

Customer satisfaction survey results (source EPSI)¹

<table>
<thead>
<tr>
<th>Country</th>
<th>2009</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sweden</td>
<td>69.4</td>
<td>68.7</td>
<td>67.1</td>
</tr>
<tr>
<td>Mobility Services, Sweden</td>
<td>70.5</td>
<td>69.7</td>
<td>68.4</td>
</tr>
<tr>
<td>Broadband Services, Sweden</td>
<td>68.5</td>
<td>68.1</td>
<td>66.2</td>
</tr>
<tr>
<td>Finland</td>
<td>67.6</td>
<td>68.1</td>
<td>67.2</td>
</tr>
<tr>
<td>Mobility Services, Finland</td>
<td>68.7</td>
<td>71.1</td>
<td>69.7</td>
</tr>
<tr>
<td>Broadband Services, Finland</td>
<td>66.0</td>
<td>64.3</td>
<td>65.2</td>
</tr>
<tr>
<td>Norway</td>
<td>65.3</td>
<td>65.4</td>
<td>67.7</td>
</tr>
<tr>
<td>Mobility Services, Norway</td>
<td>65.6</td>
<td>65.9</td>
<td>68.5</td>
</tr>
<tr>
<td>Broadband Services, Norway</td>
<td>62.2</td>
<td>60.4</td>
<td>59.3</td>
</tr>
<tr>
<td>Denmark</td>
<td>63.1</td>
<td>64.5</td>
<td>64.7</td>
</tr>
<tr>
<td>Mobility Services, Denmark</td>
<td>63.5</td>
<td>65.3</td>
<td>64.8</td>
</tr>
<tr>
<td>Broadband Services, Denmark</td>
<td>60.3</td>
<td>62.1</td>
<td>64.3</td>
</tr>
<tr>
<td>Lithuania²</td>
<td>70.3</td>
<td>79.3</td>
<td>78.2</td>
</tr>
<tr>
<td>Mobility Services, Lithuania</td>
<td>70.3</td>
<td>79.3</td>
<td>78.2</td>
</tr>
<tr>
<td>Kazakhstan</td>
<td>76.6</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Georgia</td>
<td>85.9</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Azerbaijan</td>
<td>86.1</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

¹ B2C and B2B are equally weighted within each country, weighted average, Eurasia not included.
² Lithuania includes Omnitel.

EPSI Survey results by Business Area

<table>
<thead>
<tr>
<th>Business Area</th>
<th>2009</th>
<th>2008³</th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobility Services</td>
<td>67.8</td>
<td>69.1</td>
<td>68.7</td>
<td>67.0</td>
</tr>
<tr>
<td>Broadband Services</td>
<td>67.3</td>
<td>66.4</td>
<td>65.4</td>
<td>64.8</td>
</tr>
<tr>
<td>Eurasia</td>
<td>80.6</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>TeliaSonera</td>
<td>69.5</td>
<td>68.0</td>
<td>67.3</td>
<td>66.1</td>
</tr>
</tbody>
</table>

³ B2C and B2B are equally weighted within each country, weighted average. Mobility and Broadband are weighted by net sales 2008 Jan–Sep.

The EPSI Index scale:

51–60: Very bad/Bad
61–69: Average
70–74: Good/Strong
75–79: Very strong
80+: Excellent

The EPSI method is a well established method for measuring customer satisfaction and loyalty. Research is public and from a reliable source with statistically verified data. The EPSI-rating is based on international research insights from studies in many industries.

PR8 – Number of complaints regarding customer privacy, or loss of data

<table>
<thead>
<tr>
<th>Year</th>
<th>From outside bodies and substantiated by the organization¹,²</th>
<th>From regulatory bodies¹,²</th>
<th>Total number of complaints²</th>
<th>of which identified leaks, thefts or loss of data²</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>27</td>
<td>55</td>
<td>83</td>
<td>9</td>
</tr>
<tr>
<td>2008</td>
<td>11</td>
<td>8</td>
<td>19</td>
<td>1</td>
</tr>
</tbody>
</table>

¹ 2008 figures include Sweden, Denmark, Norway, Estonia and Lithuania.
² Data not comparable with previous year. 2009 figures includes the Nordic and Baltic countries except Latvia; Eurasia, except Moldova; except Spain.

IO1 – Capital investment in telecommunication network infrastructure

<table>
<thead>
<tr>
<th>Year</th>
<th>Mobility Services</th>
<th>Eurasia</th>
<th>Broadband Services</th>
<th>Other operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>781</td>
<td>91</td>
<td>4,942</td>
<td>282</td>
</tr>
<tr>
<td>2008</td>
<td>4,416</td>
<td>5,816</td>
<td>4,596</td>
<td>347</td>
</tr>
<tr>
<td>2007</td>
<td>4,166</td>
<td>5,369</td>
<td>3,114</td>
<td>2699</td>
</tr>
<tr>
<td>2006</td>
<td>3,252</td>
<td>4,862</td>
<td>2,699</td>
<td>3,017</td>
</tr>
</tbody>
</table>

² B2C and B2B are equally weighted within each country, weighted average. Mobility and Broadband are weighted by net sales 2008 Jan–Sep.
Employees

LA1 – Total workforce by country, business area, age group and gender

By Country December 31st

<table>
<thead>
<tr>
<th>Country</th>
<th>2009</th>
<th>2008</th>
<th>2007¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sweden</td>
<td>9,869</td>
<td>10,699</td>
<td>10,974</td>
</tr>
<tr>
<td>Finland</td>
<td>4,841</td>
<td>5,458</td>
<td>5,944</td>
</tr>
<tr>
<td>Norway</td>
<td>1,311</td>
<td>1,461</td>
<td>979</td>
</tr>
<tr>
<td>Denmark</td>
<td>1,727</td>
<td>1,895</td>
<td>1,762</td>
</tr>
<tr>
<td>Estonia</td>
<td>2,280</td>
<td>2,515</td>
<td>2,559</td>
</tr>
<tr>
<td>Latvia</td>
<td>459</td>
<td>582</td>
<td>584</td>
</tr>
<tr>
<td>Lithuania</td>
<td>4,049</td>
<td>4,477</td>
<td>4,339</td>
</tr>
<tr>
<td>Spain</td>
<td>84</td>
<td>80</td>
<td>67</td>
</tr>
<tr>
<td>Moldova</td>
<td>343</td>
<td>320</td>
<td>272</td>
</tr>
<tr>
<td>Nepal</td>
<td>474</td>
<td>414</td>
<td>–</td>
</tr>
<tr>
<td>Georgia</td>
<td>331</td>
<td>309</td>
<td>260</td>
</tr>
<tr>
<td>Uzbekistan</td>
<td>754</td>
<td>793</td>
<td>940</td>
</tr>
<tr>
<td>Azerbaijan</td>
<td>739</td>
<td>645</td>
<td>581</td>
</tr>
<tr>
<td>Cambodia</td>
<td>175</td>
<td>176</td>
<td>–</td>
</tr>
<tr>
<td>Kazakhstan</td>
<td>1,436</td>
<td>1,480</td>
<td>1,222</td>
</tr>
<tr>
<td>Tajikistan</td>
<td>574</td>
<td>605</td>
<td>556</td>
</tr>
<tr>
<td>Other countries</td>
<td>288</td>
<td>261</td>
<td>254</td>
</tr>
</tbody>
</table>

Total numbers of employees by country or region: 29,734

¹ Operations in Kazakhstan, Azerbaijan, Georgia and Moldova, as of Q3 2007 in Uzbekistan and Tajikistan, and as of Q4 2008 in Nepal and Cambodia.

By Business area, December 31st

<table>
<thead>
<tr>
<th>Business area</th>
<th>2009</th>
<th>2008</th>
<th>2007¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobility Services</td>
<td>7,506</td>
<td>8,339</td>
<td>8,092</td>
</tr>
<tr>
<td>Broadband Services</td>
<td>13,645</td>
<td>15,410</td>
<td>16,064</td>
</tr>
<tr>
<td>Eurasia</td>
<td>4,888</td>
<td>4,780</td>
<td>3,862</td>
</tr>
<tr>
<td>Other operations and corporate</td>
<td>3,695</td>
<td>3,642</td>
<td>3,274</td>
</tr>
</tbody>
</table>

Total number of employees by Business Area/Unit: 29,734

¹ Operations in Kazakhstan, Azerbaijan, Georgia and Moldova, as of Q3 2007 in Uzbekistan and Tajikistan, and as of Q4 2008 in Nepal and Cambodia.

Total workforce by business area, 2009

<table>
<thead>
<tr>
<th>Business area</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broadband Services</td>
<td>46%</td>
</tr>
<tr>
<td>Mobility Services</td>
<td>25%</td>
</tr>
<tr>
<td>Eurasia</td>
<td>16%</td>
</tr>
<tr>
<td>Other operations and corporate</td>
<td>12%</td>
</tr>
</tbody>
</table>

By Age, December 31st

<table>
<thead>
<tr>
<th>Age group</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 30 years</td>
<td>8,179</td>
<td>10,323</td>
</tr>
<tr>
<td>31–50 years</td>
<td>15,480</td>
<td>15,717</td>
</tr>
<tr>
<td>&gt; 51 years</td>
<td>6,075</td>
<td>6,132</td>
</tr>
</tbody>
</table>

Total number of employees: 29,734

Total workforce by age, 2009

- Age group <30 years, 28%
- Age group 31–50 years, 52%
- Age group >51 years, 20%

By Gender, Dec 31

<table>
<thead>
<tr>
<th>Gender</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>13,221</td>
<td>14,517</td>
</tr>
<tr>
<td>Male</td>
<td>16,513</td>
<td>17,654</td>
</tr>
</tbody>
</table>

Total number of employees: 29,734

Total workforce by gender, 2009

- Female, 44%
- Male, 56%
LA2 – Total numbers and rates of employee turnover¹ by country, age group and gender

By Country, December 31st 2009 2008

<table>
<thead>
<tr>
<th>Country</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sweden</td>
<td>983</td>
<td>997</td>
</tr>
<tr>
<td>Finland</td>
<td>583</td>
<td>640</td>
</tr>
<tr>
<td>Norway</td>
<td>85</td>
<td>116</td>
</tr>
<tr>
<td>Denmark</td>
<td>305</td>
<td>430</td>
</tr>
<tr>
<td>Estonia</td>
<td>355</td>
<td>363</td>
</tr>
<tr>
<td>Latvia</td>
<td>125</td>
<td>29</td>
</tr>
<tr>
<td>Lithuania</td>
<td>457</td>
<td>1,096</td>
</tr>
<tr>
<td>Spain</td>
<td>7</td>
<td>–</td>
</tr>
<tr>
<td>Moldova</td>
<td>31</td>
<td>41</td>
</tr>
<tr>
<td>Nepal</td>
<td>56</td>
<td>71</td>
</tr>
<tr>
<td>Georgia</td>
<td>13</td>
<td>18</td>
</tr>
<tr>
<td>Uzbekistan</td>
<td>179</td>
<td>289</td>
</tr>
<tr>
<td>Azerbaijan</td>
<td>36</td>
<td>78</td>
</tr>
<tr>
<td>Cambodia</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td>Kazakhstan</td>
<td>155</td>
<td>262</td>
</tr>
<tr>
<td>Tajikistan</td>
<td>126</td>
<td>141</td>
</tr>
<tr>
<td>Other countries</td>
<td>6</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total number of leavers</strong></td>
<td><strong>3,529</strong></td>
<td><strong>4,596</strong></td>
</tr>
<tr>
<td><strong>Total rate of employee turnover, %</strong></td>
<td><strong>12.4</strong></td>
<td><strong>14.8</strong></td>
</tr>
</tbody>
</table>

¹ Leaving rate.

Employee turnover by age

<table>
<thead>
<tr>
<th>Age group</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age group &lt;30 years</td>
<td>18.5</td>
<td>10.1</td>
</tr>
<tr>
<td>Age group 31–50 years</td>
<td>10.1</td>
<td>9.9</td>
</tr>
<tr>
<td>Age group &gt;51 years</td>
<td>23.9</td>
<td>10.3</td>
</tr>
</tbody>
</table>

LA4 – Percentage of employees covered by collective bargaining agreements

By Country December 31st 2009 2008

<table>
<thead>
<tr>
<th>Country</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sweden</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Finland</td>
<td>100</td>
<td>93</td>
</tr>
<tr>
<td>Norway – NetCom</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td>Norway – Chess</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Norway – NextGenTel</td>
<td>40</td>
<td>–</td>
</tr>
<tr>
<td>Denmark – Telia DK</td>
<td>72</td>
<td>72</td>
</tr>
<tr>
<td>Denmark – Mobility Denmark</td>
<td>60</td>
<td>–</td>
</tr>
<tr>
<td>Estonia – EMT</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Estonia – Microlink</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Estonia – Elion</td>
<td>100</td>
<td>0</td>
</tr>
<tr>
<td>Latvia – LMT</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Lithuania – Omnitel</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Lithuania – TEO</td>
<td>66</td>
<td>66</td>
</tr>
<tr>
<td>Spain – Yoigo</td>
<td>100</td>
<td>–</td>
</tr>
<tr>
<td>Nepal – Ncell</td>
<td>90</td>
<td>–</td>
</tr>
<tr>
<td>Uzbekistan Ucell</td>
<td>67</td>
<td>67</td>
</tr>
<tr>
<td>Cambodia Star–Cell</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Tajikistan – Indigo</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Tajikistan – Somoncom</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Other countries²</td>
<td>100</td>
<td>–</td>
</tr>
<tr>
<td><strong>Reported entities’ share of TeliaSonera total, %</strong></td>
<td><strong>73</strong></td>
<td><strong>65</strong></td>
</tr>
</tbody>
</table>

¹ Excluding top management.
² International Carrier France, Austria and Italy.

LA13 – Number of managers by gender

2009 2008

<table>
<thead>
<tr>
<th>Gender</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>1,139</td>
<td>1,185</td>
</tr>
<tr>
<td>Male</td>
<td>2,146</td>
<td>2,176</td>
</tr>
</tbody>
</table>

**Number of managers** 3,285 3,361

Managers by gender, 2009

- Female, 35%
- Male, 65%
Suppliers

Sourcing managers trained in CR and ethics

- 2009: 100%
- 2008: 26%

Group Sourcing purchasing volume covered by new CR requirements

- 2009: 70%
- 2008: 30%
Owners and investors

Key economic indicators

<table>
<thead>
<tr>
<th>Economic impact at Dec 31</th>
<th>2009</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>TeliaSonera Group net sales, MSEK</td>
<td>109,161</td>
<td>103,585</td>
<td>96,344</td>
</tr>
<tr>
<td>Income taxes, MSEK</td>
<td>6,334</td>
<td>4,969</td>
<td>4,953</td>
</tr>
<tr>
<td>Total personnel expenses, MSEK</td>
<td>14,806</td>
<td>15,056</td>
<td>13,477</td>
</tr>
<tr>
<td>Goods and subcontracting services purchased, MSEK</td>
<td>16,625</td>
<td>16,016</td>
<td>17,271</td>
</tr>
<tr>
<td>Investment in infrastructure (CAPEX), MSEK</td>
<td>14,007</td>
<td>15,795</td>
<td>13,531</td>
</tr>
<tr>
<td>Market capitalization, MSEK</td>
<td>233,000</td>
<td>175,000</td>
<td>272,000</td>
</tr>
<tr>
<td>Dividends paid to owners of parent company, MSEK</td>
<td>8,083</td>
<td>17,962</td>
<td>28,290</td>
</tr>
<tr>
<td>Shares held by PRI signatories, %</td>
<td>11</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

Share of investors with PRI commitment, 2009

Total¹

- PRI-signatories' share of total outstanding shares, 11%
- Other shareholders, 89%

Share of investors with PRI commitment of the free float¹

- PRI-signatories' share of total outstanding shares, 22%
- Other shareholders, 78%

¹ At the end of 2009, approximately 11 percent of the shares in TeliaSonera were held by PRI signatories, corresponding to 22 percent excluding Swedish and Finnish state ownership. While countries cannot be signatories to PRI, and hence not included in the calculation, both the Swedish and Finnish state exercise active ownership. TeliaSonera are committed to promoting environmental, social and governance issues.
Society

IO8 – Number of stand-alone sites, shared sites and sites on existing structures

<table>
<thead>
<tr>
<th>Number of base station sites of which</th>
<th>2009</th>
<th>2008¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stand-alone sites</td>
<td>11,249</td>
<td>–</td>
</tr>
<tr>
<td>Shared sites</td>
<td>10,708</td>
<td>–</td>
</tr>
<tr>
<td>Sites on existing structures</td>
<td>17,184</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total number of sites</strong>²</td>
<td><strong>39,141</strong></td>
<td><strong>23,293</strong></td>
</tr>
</tbody>
</table>

¹ Restated the total number of sites for 2008, includes all Nordic and Baltic countries, except Latvia.
² Figures not comparable. Year 2009 includes Spain, all Nordic, Eurasian and Baltic countries, except Latvia.

EC1 – Financial support to partnership projects

Financial support, geographical distribution

<table>
<thead>
<tr>
<th>SEK thousand</th>
<th>2009</th>
<th>2008²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nordic</td>
<td>19,235</td>
<td>18,072</td>
</tr>
<tr>
<td>Eurasia</td>
<td>14,662</td>
<td>32,995</td>
</tr>
<tr>
<td>Baltic¹</td>
<td>11,190</td>
<td>12,470</td>
</tr>
</tbody>
</table>

¹ Latvia in Baltic not included.
² Currency rates as YTD Average Dec 2009; 2008 figure are restated from CR report 2008 with currency rates at YTD Average December, 2008.

Financial support, types of projects 2009

- Culture, leisure and cause related marketing, 48%
- Education, training, 18%
- Social inclusion¹, 14%
- Philanthropy and charity², 14%
- Digital inclusion³, 5%
- Other, 1%

¹ Combined categories according to GRI guidelines: social inclusions and aid to disadvantaged or minority groups, community engagement and dialogue, community health & diseases.
² Category – helping local business according to GRI guidelines.
³ Combined categories of philanthropy and charity and poverty alleviation according to GRI guidelines.

EC1 – Generated and distributed value, MSEK, 2009

- Suppliers, 16,625
- Employees¹, 14,806
- Shareholder dividends, 8,083
- Tax, 6,334
- Financial interest, 2,710

¹ Including social costs.
Environment

**EN3 – Direct energy consumption by primary energy source, terajoule (TJ)**

<table>
<thead>
<tr>
<th>Region</th>
<th>2009</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nordic¹</td>
<td>64</td>
<td>61</td>
<td>48</td>
</tr>
<tr>
<td>Baltic²</td>
<td>79</td>
<td>22</td>
<td>1</td>
</tr>
<tr>
<td>Eurasia⁴</td>
<td>129</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total direct energy consumption, TJ³</strong></td>
<td><strong>272</strong></td>
<td><strong>83</strong></td>
<td><strong>49</strong></td>
</tr>
<tr>
<td>Of which gasoline/diesel for own car fleet, TJ</td>
<td>184</td>
<td>32</td>
<td>7</td>
</tr>
<tr>
<td>Of which natural gas, TJ</td>
<td>8</td>
<td>7</td>
<td>11</td>
</tr>
<tr>
<td>Of which other fuels, TJ</td>
<td>80</td>
<td>44</td>
<td>31</td>
</tr>
</tbody>
</table>

¹ Restated due to moving own car fleet consumption from EN17 as follows: 2008 figures for Denmark; 2007 and 2008 figures for Norway.
² 2007 figures include Omnitel in Lithuania; emissions for own car fleet included in 2009 and for Omnitel also the year 2008.
³ 2008 figures restated due to correction of data.
⁴ Reported for the first time in 2009, partial information. Cambodia excluded.
⁵ Data not fully comparable due to updated scope and new region added in 2009.
⁶ Reported EN3 for the year 2009 according to Scope 1 in GHG Protocol, restated history when possible.

**EN4 – Indirect energy consumption by primary energy source, terajoule (TJ)**

<table>
<thead>
<tr>
<th>Region</th>
<th>2009</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nordic²</td>
<td>3,147</td>
<td>3,011</td>
<td>2,901</td>
</tr>
<tr>
<td>Baltic²</td>
<td>428</td>
<td>431</td>
<td>199</td>
</tr>
<tr>
<td>Eurasia³</td>
<td>333</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total indirect energy consumption, TJ⁶</strong></td>
<td><strong>4,043</strong></td>
<td><strong>3,578</strong></td>
<td><strong>3,100</strong></td>
</tr>
<tr>
<td>Of which purchased electricity, TJ</td>
<td>3,603</td>
<td>3,314</td>
<td>2,842</td>
</tr>
<tr>
<td>Of which district heating/cooling, TJ</td>
<td>440</td>
<td>265</td>
<td>258</td>
</tr>
<tr>
<td>Share of renewable from purchased electricity⁴, %</td>
<td>64</td>
<td>73</td>
<td>63</td>
</tr>
</tbody>
</table>

¹ 2007 includes only Omnitel in Lithuania.
² Includes Azerbaijan, Georgia, Kazakhstan, Uzbekistan, Tajikistan and Nepal.
³ Includes TeliaSonera International Carrier outside Sweden and Finland. 2009 figures are estimates.
⁴ Data not fully comparable due to new region, adjustment of data and some estimates made for 2009.
⁵ If no green electricity with certificates of origin available, then country national average for renewable electricity production is used. 100 percent renewable in Sweden and Norway.

Indirect energy consumption – mostly purchased electricity, heating and cooling remained quite stable but increased slightly in both the Baltic and Nordic region.

**EN5 – Total water withdrawal, m³**

<table>
<thead>
<tr>
<th>Region</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nordic¹</td>
<td>143,441</td>
<td>175,126</td>
</tr>
<tr>
<td>Baltic²</td>
<td>57,687</td>
<td>91,464</td>
</tr>
<tr>
<td>Eurasia³</td>
<td>57,533</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total water withdrawal, m³⁴</strong></td>
<td><strong>258,661</strong></td>
<td><strong>266,590</strong></td>
</tr>
</tbody>
</table>

¹ Excludes Norway. Explanations: decline sale of property in Finland and renovations in Denmark.
² Latvia not included. Estonia EMT not included in 2008.
³ Nepal and Cambodia excluded. Office water in Moldova and Kazakhstan.
⁴ Data not fully comparable.

**EN16 – Total direct and indirect greenhouse gas emissions by weight, metric tons CO₂**

<table>
<thead>
<tr>
<th>Region</th>
<th>2009</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct emissions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nordic¹</td>
<td>4,949</td>
<td>5,162</td>
<td>3,833</td>
</tr>
<tr>
<td>Baltic²</td>
<td>4,947</td>
<td>1,494</td>
<td>54</td>
</tr>
<tr>
<td>Eurasia³</td>
<td>17,777</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total direct, metric tons CO₂⁵</strong></td>
<td><strong>27,672</strong></td>
<td><strong>6,656</strong></td>
<td><strong>3,887</strong></td>
</tr>
</tbody>
</table>

Direct emissions:

<table>
<thead>
<tr>
<th>Region</th>
<th>2009</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nordic¹</td>
<td>74,853</td>
<td>56,806</td>
<td>61,743</td>
</tr>
<tr>
<td>Baltic²</td>
<td>30,184</td>
<td>33,837</td>
<td>10,122</td>
</tr>
<tr>
<td>Eurasia³</td>
<td>30,781</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Other⁶</strong></td>
<td>15,422</td>
<td>15,422</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total indirect, metric tons CO₂</strong></td>
<td><strong>151,239</strong></td>
<td><strong>106,065</strong></td>
<td><strong>71,865</strong></td>
</tr>
</tbody>
</table>

Total direct and indirect greenhouse gas emissions, metric tons CO₂⁷

<table>
<thead>
<tr>
<th>Region</th>
<th>2009</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nordic¹</td>
<td>178,911</td>
<td>112,721</td>
<td>75,752</td>
</tr>
</tbody>
</table>

¹ Restated due to moving own car fleet consumption from EN17 as follows: 2008 figures for Denmark; year 2007 and 2008 figures for Norway.
² 2007 figures include Omnitel in Lithuania; emissions for own car fleet included in 2009 and for Omnitel also the year 2008.
³ 2008 figures restated due to correction of data.
⁴ Reported for the first time in 2009, partial information. Cambodia excluded.
⁵ Data not fully comparable due to updated scope and new region added in 2009.
⁶ 2007 and 2008 figures adjusted for Denmark.
⁷ 2007 includes only Omnitel in Lithuania.
⁸ Includes Azerbaijan, Georgia, Kazakhstan, Uzbekistan, Tajikistan and Nepal.
⁹ Includes TeliaSonera International Carrier outside Sweden and Finland. 2009 figures are estimates.

Emissions from direct energy consumption increased with about 21,000 metric tons CO₂ for the group in 2009. The main reasons for the increase are the extended scope of reporting entities and that the own car fleets were included in the calculations. We have outsourced the network construction and maintenance in Finland and Sweden thus energy consumption visible in our answers for EN17 whereas in other countries we often manage networks ourselves with own/company controlled cars.

The total group emissions from indirect energy consumption increased with approximately 45,000 metric tons CO₂, whereof almost 31,000 metric tons are from the added entities in Eurasia.

As a consequence, calculated direct and indirect greenhouse gas emissions from TeliaSonera’s operations increased, and reached about 179,000 metric tons CO₂ in 2009. Nearly 70 percent of the total CO₂ increase is explained by the added entities. Other reason is the renewable electricity usage Finland from the fourth quarter onwards.
### EN17 – Other relevant indirect greenhouse gas emissions by weight, metric tons CO₂

<table>
<thead>
<tr>
<th>Region</th>
<th>2009</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Nordic</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business travel¹</td>
<td>10,295</td>
<td>15,084</td>
<td>20,356</td>
</tr>
<tr>
<td>Outsourced maintenance and driving²</td>
<td>22,658</td>
<td>27,037</td>
<td>25,640</td>
</tr>
<tr>
<td>Distributions/logistics³</td>
<td>4,379</td>
<td>9,698</td>
<td>9,470</td>
</tr>
<tr>
<td><strong>Nordic, total metric tons CO₂</strong></td>
<td>37,332</td>
<td>51,819</td>
<td>55,466</td>
</tr>
<tr>
<td><strong>Baltic</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business travel⁴</td>
<td>538</td>
<td>940</td>
<td>982</td>
</tr>
<tr>
<td>Outsourced maintenance and driving⁵</td>
<td>821</td>
<td>958</td>
<td>321</td>
</tr>
<tr>
<td>Distributions/logistics⁶</td>
<td>310</td>
<td>252</td>
<td>49</td>
</tr>
<tr>
<td><strong>Baltic, total metric tons CO₂</strong></td>
<td>1,670</td>
<td>2,150</td>
<td>1,352</td>
</tr>
<tr>
<td><strong>Eurasia</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business travel⁷</td>
<td>797</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Outsourced maintenance and driving⁸</td>
<td>200</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Distributions/logistics⁹</td>
<td>46</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Eurasia, total metric tons CO₂</strong></td>
<td>1,043</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

**Total other relevant indirect greenhouse gas emissions in metric tons CO₂**

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>40,044</td>
<td>53,969</td>
</tr>
</tbody>
</table>

¹ Restated due to moving own car fleet consumption to EN3 as follows: 2008 figures for Denmark; 2007 and 2008 for Norway.
² Norway reported for the first time in 2009. Stofa in Denmark not included in 2009 and 2008.
³ 2008 figures restated. Norway and Stofa in Denmark not included.
⁵ Includes data from Elion in Estonia and Omnitel in Lithuania.
⁶ Teo from Lithuania not included. EMT estimated.
⁷ Data for Georgia and Uzbekistan.

### EN22 – Total weight of waste by type and disposal method, metric tons

<table>
<thead>
<tr>
<th>Region</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Baltic¹</strong></td>
<td>648</td>
<td>1,176</td>
</tr>
<tr>
<td><strong>Nordic²</strong></td>
<td>34,005</td>
<td>25,523</td>
</tr>
<tr>
<td><strong>Eurasia³</strong></td>
<td>990</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total weight of waste, metric tons</strong> ⁴</td>
<td>35,643</td>
<td>26,701</td>
</tr>
<tr>
<td>of which hazardous waste, metric tons ⁵</td>
<td>21,487</td>
<td>14,945</td>
</tr>
<tr>
<td>of which electronic, metric tons ⁶</td>
<td>498</td>
<td>622</td>
</tr>
<tr>
<td>of which cables, metric tons ⁷</td>
<td>1,812</td>
<td>1,589</td>
</tr>
</tbody>
</table>

**Share of recycled waste⁸, %**

<table>
<thead>
<tr>
<th></th>
<th>From 20 to over 95</th>
</tr>
</thead>
</table>

¹ Data is not fully comparable.
² Norway excluded. Major increase due to network upgrade project in Finland.
³ Includes Azerbaijan, Georgia, Tajikistan and Uzbekistan.
⁴ Data not comparable due to new countries and partially incomplete data.
⁵ Share of recycled waste depends on the category of waste.

TeliaSonera continues providing information for the EN17/Scope3 emissions under the GHG Protocol where we track emissions from outsourced maintenance, logistics and business travels. We are studying the development of the GHG Protocol standards for the Scope3. While Eurasia is included for the first time, the Nordic and Baltic regions shows decreasing emissions in all categories except Baltic logistics. Emissions from travelling decreased by 32 percent for the Nordic region, and 43 percent for the Baltic region, largely as a result from travel restrictions and cost efficiency programs together with availability of efficient and modern communication solutions.
GRI content index

All references refer to content in the CR Report 2009, unless otherwise stated. “AR” indicates content in the Annual Report 2009.

| = Fully reported | = Partly reported | = Not reported |

### Profile

#### 1. Strategy & analysis

1.1 Statement from the most senior decision maker of the organization

Letter from the CEO, page 3

1.2 Description of key impacts, risks and opportunities

Materiality analysis reveals risk and opportunities, page 10-11
Risk management and governance, page 12-14
AR/Report of the Directors, page 8
AR/Financial statements, page 67

### 2. Organizational profile

2.1 Name of the reporting organization

Contact TeliaSonera, page 67

2.2 Primary brands, products, and services

TeliaSonera website

2.3 Operational structure of the organization

AR/Corporate Governance Report, page 97

2.4 Location of organization’s headquarters

Contact TeliaSonera, page 67

2.5 Countries where the organization operates

TeliaSonera website

2.6 Nature of ownership and legal form

AR/Report of the Directors, page 17

2.7 Markets served

TeliaSonera website

2.8 Scale of the organization

Key CR indicators, page 5

2.9 Significant changes during the reporting period

AR/Report of the Directors, page 16

2.10 Awards received during the reporting period

Customers, page 21
Employees, page 26
Society, page 38
Owners and investors, page 34
Environment, page 44

### 3. Report parameters

#### Report profile

3.1 Reporting period

About this report, page 66

3.2 Date of most recent previous report

About this report, page 66

3.3 Reporting cycle

About this report, page 66

3.4 Contact point for questions regarding the report

About this report, page 66
Contact TeliaSonera, page 67

#### Report scope and boundary

3.5 Process for defining report content

Materiality analysis reveals risks and opportunities, page 10
Approach to stakeholder relations, page 15

3.6 Boundary of the report

About this report, page 66

3.7 Specific limitations on the scope or boundary of the report

About this report, page 66

3.8 Basis for reporting on joint ventures, subsidiaries, etc

About this report, page 66
3.9 Data measurement techniques and calculation principles About this report, page 66
AR/Financial statements, page 26

3.10 Explanation of the effect of any re-statements of information provided in earlier reports About this report, page 66

3.11 Significant changes from previous reporting periods regarding scope, boundaries, etc. About this report, page 66

GRI content index

3.12 Table identifying the location of the Standard Disclosures in the report GRI content index, page 55-60

3.13 Policy and current practice with regard to seeking external assurance for the report About this report, page 66

4. Governance, commitments & engagement

Governance

4.1 Governance structure of the organization AR/Corporate Governance Report, page 97
Our approach to CR, page 6
Risk management and governance, page 12

4.2 The Chairman of the Board’s role in the organization AR/Corporate Governance Report, page 96

4.3 Independent and/or non-executive board members AR/Corporate Governance Report, page 96

4.4 Mechanisms for shareholders and employees to provide recommendations to the board AR/Corporate Governance Report, page 95
AR/Corporate Governance Report, page 96

4.5 Principles for compensation to senior executives AR/Financial statements, page 63
AR/Report of the Directors, page 17

4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided AR/Corporate Governance Report, page 98

4.7 Processes for determining the qualifications and expertise of the highest governance body for guiding the organization’s strategy on economic, environmental and social topics. AR/Corporate Governance Report, page 95
Additional facts, page 61

4.8 Mission, values, Code of Conduct CR embedded in vision and strategy, page 8-9
Additional facts, page 61
TeliaSonera website

4.9 The board’s monitoring of the sustainability work AR/Corporate Governance Report, page 96
CR embedded in vision and strategy, page 9
Risk management and governance, page 12-14

4.10 Processes for evaluating the highest governance body’s own performance, particularly with respect to economic, environmental, and social performance. AR/Corporate Governance Report, page 96

Commitments to external initiatives

4.11 Explanation of whether and how the precautionary principle is applied Environment, page 42-43

4.12 Endorsement of external voluntary codes, principles or other initiatives Commitment to international standards and initiatives, page 17
Additional facts, page 61

4.13 Memberships in associations Commitment to international standards and initiatives, page 17

Stakeholder engagement

4.14 List of stakeholder groups Approach to stakeholder relations, page 15-16

4.15 Basis for identification and selection of stakeholders with whom to engage Approach to stakeholder relations, page 15

4.16 Approaches to stakeholder engagement Approach to stakeholder relations, page 15-16

4.17 Key topics and concerns that have been raised through stakeholder engagement Materiality analysis reveals risks and opportunities, page 10-11
Approach to stakeholder relations, page 15

Economic

5. Economic performance indicators

DISCLOSURE OF MANAGEMENT APPROACH AR/Report of the Directors, page 7
Letter from the CEO, page 3
Objectives, achievements, ambitions, page 4
Key CR indicators, page 5

Economic performance

| EC1 | Direct economic value generated and distributed | Society, page 36
Key indicators/Society, page 52
AR/Financial Statements, page 18 |
| EC2 | Risks and opportunities for the organization due to climate change | Environment, page 42
Environment, page 43 |
| EC3 | Coverage of the organization’s defined benefit plan obligations | AR/Financial Statements, page 48 |
| EC4 | Financial assistance received from government | Additional facts, page 61 |
| EC5 | Entry level wage compared to local minimum wage | Employees, page 27-28
Additional facts, page 61 |
| EC6 | Policy, practices, and proportion of spending on locally-based suppliers | Suppliers, page 30 |
**EC7** Local hiring and proportion of senior management hired from the local community  
**Indirect economic impact**  
**EC8** Development and impact of infrastructure investments and services provided for primarily for public benefit through commercial, in-kind and pro bono purposes  
**EC9** Understanding and describing significant indirect economic impacts, including the extent of impacts

**Environment**

**6. Environmental performance indicators**

**DISCLOSURE OF MANAGEMENT APPROACH**  
Environment, page 42-43  
Objectives, achievements, ambitions, page 4  
Key CR indicators, page 5

**Materials**  
EN1 Materials used by weight or volume  
EN2 Percentage of recycled input materials  
Not reported.

**Energy**  
EN3 Direct energy consumption by primary source  
EN4 Indirect energy consumption by primary source  
EN5 Energy saved due to conservation and efficiency improvement  
EN6 Initiatives to provide energy-efficient or renewable energy based products/services  
EN7 Initiatives to reduce indirect energy consumption and results

**Water**  
EN8 Total water withdrawal by source  
EN9 Water sources significantly affected by withdrawal  
Not reported.

**Biodiversity**  
EN10 Percentage and total volume of water recycled and reused  
Not reported.

**Emissions, effluents & waste**  
EN11 Location/scope of land owned near protected areas/areas of biodiversity value  
Not material.

**Environments, effluents & waste**  
EN12 Impacts of products or operations on biodiversity  
EN13 Habitats protected or restored  
EN14 Strategies, actions and plans for managing impacts on biodiversity  
EN15 Number of IUCN Red List species affected by operations  
Not material.

**Emissions, effluents & waste**  
EN16 Direct and indirect greenhouse gas emissions  
EN17 Other relevant indirect greenhouse gas emissions  
EN18 Initiatives to reduce greenhouse gas emissions  
EN19 Emissions of ozone-depleting substances  
EN20 NO, SO, and other significant air emissions  
EN21 Total water discharge  
EN22 Waste by type and disposal method  
EN23 Number and volume of significant spills

**Products & services**  
EN24 Initiatives to mitigate environmental impacts of products and services  
EN25 Products sold and their packaging materials that are reclaimed  
Not reported.

**Compliance**  
EN26 Fines and/or non-monetary sanctions for non-compliance with environmental laws  
Additional facts, page 62

**Transport**  
EN27 Environmental impact of transports  
EN28 Total environmental protection expenditures and investments by type  
Not reported.
### Social

#### 7. Social performance indicators

**Employment**

**DISCLOSURE OF MANAGEMENT APPROACH**
- Our approach to CR, page 6
- Employees, page 24-26
- Objectives, achievements, ambitions, page 4
- Key CR indicators, page 5
- Additional facts, page 62

**Employees**

LA1 Total workforce by employment type, contract and region
- Key indicators/Employees, page 48

LA2 Rate of employee turnover by age group, gender and region
- Key indicators/Employees, page 49

LA3 Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations
- Not reported.

**Labor/management relations**

LA4 Percentage of employees covered collective bargaining agreements
- Key indicators/Employees, page 49

LA5 Minimum notice period(s) regarding operational changes
- Employees, page 27

LA6 Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs
- Additional facts, page 62

**Health & safety**

LA7 Rates of injury, occupational diseases, lost days, work related fatalities
- Additional facts, page 62

LA8 Education, training, prevention and risk-control programs in place
- Not reported.

LA9 Health and safety topics covered in formal agreements with trade unions
- Additional facts, page 62

**Training & education**

LA10 Average hours of training per year per employee
- Additional facts, page 63

LA11 Programs for skills management and lifelong learning that support employees' career development
- Employees, page 25

LA12 Employees receiving regular performance and career development reviews
- Employees, page 24-25

**Diversity & equal opportunity**

LA13 Composition of governance bodies and employees according to diversity indicators
- Key CR indicators, page 5
- Key indicators/Employees, page 49
- AR/Corporate Governance Report, page 101
- Additional facts, page 63

LA14 Ratio of basic salary of men to women
- Not reported

**Human rights**

**DISCLOSURE OF MANAGEMENT APPROACH**
- CR embedded in vision and strategy, page 9
- Objectives, achievements, ambitions, page 4
- Key CR indicators, page 5

**Investment & procurement practices**

HR1 Investment agreements that include human rights clauses
- Risk management and governance, page 13

HR2 Suppliers that have undergone screening on human rights, and actions taken
- Suppliers, page 30-31
- Key CR indicators, page 5

HR3 Total hours of employees training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.
- Suppliers, page 31-32
- Additional facts, page 63

**Non-discrimination**

HR4 Total number of incidents of discrimination and actions taken
- Additional facts, page 63

**Freedom of association & collective bargaining**

HR5 Operations where freedom of association and collective bargaining may be at significant risk and actions taken
- Additional facts, page 63

**Child labor**

HR6 Operations identified as having significant risk for incidents of child labour and actions taken
- Additional facts, page 63

**Forced & compulsory labor**

HR7 Operations identified as having significant risk for incidents of forced or compulsory labour and actions taken
- Suppliers, page 30
- Risk management and governance, page 13
- Additional facts, page 63

HR8 Percentage of security personnel trained in the organization’s policies or procedures concerning aspects of human rights that are relevant to operations
- Not reported.

HR9 Total number of incidents of violations involving rights of indigenous people and actions taken
- Not reported.
### Society

**DISCLOSURE OF MANAGEMENT APPROACH**  
- Risk management and governance, page 12-13  
- Suppliers, page 29-30  
- Society, page 37-38

#### Community

**SO1** Programs for evaluating the operation’s impacts on communities  
- Risk management and governance, page 12-13  
- Society, page 37  
- Society, page 38

#### Corruption

**SO2** Business units analyzed for risks related to corruption  
- Risk management and governance, page 12  
- Additional facts, page 63

**SO3** Employees trained in the organization’s anti-corruption policies and procedures  
- Suppliers, page 31-32  
- CR embedded in vision and strategy, page 9  
- Additional facts, page 63

**SO4** Actions taken in response to incidents of corruption  
- Additional facts, page 63

#### Public policy

**SO5** Participation in public policy development and lobbying  
- Society, page 37-38

**SO6** Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country  
- Society, page 37-38

#### Anti-competitive behavior

**SO7** Legal actions for anti-competitive behaviour  
- Society, page 37-38

#### Compliance

**SO8** Monetary value of fines for non-compliance with applicable laws  
- Additional facts, page 63

### Product responsibility

**DISCLOSURE OF MANAGEMENT APPROACH**  
- Customers, page 19-20  
- Society, page 38

#### Customer health & safety

**PR1** Life cycle stages in which health and safety impacts of products and services are assessed  
- Additional facts, page 63

**PR2** Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services, by type of outcomes.  
- Not reported.

#### Product & service labeling

**PR3** Type of products and service information required by procedures, and percentage of products subject to such information requirements  
- Not reported.

**PR4** Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes  
- Additional facts, page 63

**PR5** Results related to customer satisfaction, including results of surveys  
- Customers, page 22  
- Key CR indicators, page 5

#### Marketing communications

**PR6** Programs for adherence to laws, standards and voluntary codes for marketing communications  
- Customers, page 20

**PR7** Incidents of non-compliance with regulations concerning marketing communications  
- Additional facts, page 63

#### Customer privacy

**PR8** Substantiated complaints regarding breaches of customer privacy  
- Key indicators/Customers, page 47  
- Additional facts, page 64

#### Compliance

**PR9** Monetary value of fines for non-compliance with regulations concerning the use of products and services  
- Additional facts, page 64

### Telecom specific indicators

#### Investment

**IO1** Capital investment in telecommunication network infrastructure broken down by country/region  
- Key indicators/Customers, page 47

**IO2** Net costs for service providers under the Universal Service Obligation when extending service to geographic locations and low-income groups, which are not profitable. Describe relevant legislative and regulatory mechanisms  
- Additional facts, page 64

#### Health and Safety

**IO3** Practices to ensure health and safety of field personnel involved in the installation, operation and maintenance of masts, base stations, laying cables and other outside plant  
- Employees, page 27-28  
- Additional facts, page 64

**IO4** Compliance with ICNIRP standards on exposure to RF emissions from handsets  
- Society, page 38  
- TeliaSonera website

**IO5** Compliance with ICNIRP guidelines on exposure to RF emissions from base stations  
- Society, page 38

**IO6** Policies and practices with respect to Specific Absorption Rate of handsets  
- Society, page 38  
- TeliaSonera website
<table>
<thead>
<tr>
<th>Infrastructure</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>IO7 Policies and practices on the siting of masts and transmission sites including stakeholder consultation, site sharing and initiatives to reduce visual impacts</td>
<td>Society, page 38</td>
</tr>
<tr>
<td>IO8 Number and percentage of stand-alone sites, shared sites and sites on existing structures</td>
<td>Key indicators/Society, page 52</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Access to Telecommunication Products and Services: Bridging the Digital Divide</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>PA1 Policies and practices to enable the deployment of telecommunications infrastructure and access to telecommunications products and services in remote and low population density areas</td>
<td>Society, page 36</td>
</tr>
<tr>
<td>PA2 Policies and practices to overcome barriers for access and use of telecommunication products and services including: language, culture, illiteracy, and lack of education, income, disabilities and age</td>
<td>Society, page 38</td>
</tr>
<tr>
<td>PA3 Policies and practices to ensure availability and reliability of telecommunications products and services and quantify, where possible, for specified time periods and locations of down time</td>
<td>Customers, page 19</td>
</tr>
<tr>
<td>PA4 The level of availability of telecommunications products and services in areas where the organization operates.</td>
<td>Customers, page 22</td>
</tr>
<tr>
<td>PA5 Number and types of telecommunication products and services provided to and used by low and no income sectors of the population</td>
<td>Additional facts, page 64</td>
</tr>
<tr>
<td>PA6 Programs to provide and maintain telecommunication products and services in emergency situations and disaster relief</td>
<td>Society, page 37</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Access to content</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>PA7 Policies and practices to manage human rights issues relating to access and use of telecommunications products and services</td>
<td>Customers, page 20</td>
</tr>
<tr>
<td>PA8 Policies and practices to publicly communicate on EMF related issues</td>
<td>Society, page 38</td>
</tr>
<tr>
<td>PA9 Total amount invested in programs and activities in electromagnetic field research</td>
<td>Additional facts, page 64</td>
</tr>
<tr>
<td>PA10 Initiatives to ensure clarity of charge and tariffs</td>
<td>Customers, page 22</td>
</tr>
<tr>
<td>PA11 Initiatives to inform customers about product features and applications that will promote responsible, efficient, cost effective and environmentally preferable use</td>
<td>Environment, page 43-44</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Technology applications</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>TA1 Examples of the resource efficiency of telecommunication products and services delivered</td>
<td>Additional facts, page 64</td>
</tr>
<tr>
<td>TA2 Examples of telecommunications products, services and applications that have the potential to replace physical objects</td>
<td>Customers, page 19-20</td>
</tr>
<tr>
<td>TA3 Disclose any measures of transport and/or resource changes of customer use of the telecommunications products and services listed above. Provide some indications of scale, market size, or potential savings.</td>
<td>Environment, page 44-45</td>
</tr>
<tr>
<td>TA4 Estimates of the rebound effect (indirect consequences) of customer use of the products and services listed above and lessons learned for future developments</td>
<td>Not reported.</td>
</tr>
<tr>
<td>TA5 Description of practices relating to intellectual property rights and open source technologies</td>
<td>Additional facts, page 65</td>
</tr>
</tbody>
</table>

AR/Report of The Directors, page 17
4.7 The Board of Directors applies a systematic and structured evaluation to its internal work. The Nomination Committee proposes the composition of the Board annually, and defines the needed competences. The basis for evaluation includes discussions with the CEO, Chairman of the Board and feedback from the Board member evaluation, conducted by the Chairman, and certain years by external consultants.

4.8 As of 2009, new group-wide policies are being developed to provide direction and guidelines for the HR area for TeliaSonera’s wholly-owned and majority-owned operations. In addition to the Code of Ethics and Conduct, policies include Recruitment, International Assignment, Pension and Remuneration.

4.12 Working hours: TeliaSonera complies with local legislation regarding work hours per week, and in some cases offer better conditions than the local legislation (e.g. in Sweden and Denmark). In most countries the weekly working hours are 40, with some variation between 37-40 hours. The exception is Nepal and Cambodia, where employees according to local legislation have a 48 hour work week, and Turkey where it is 45 hours a week. In the US, UK and Germany local legislation are not as prescriptive. In Cambodia, we practice a 44 hour working week, i.e. shorter than the legislated maximum.

Work-life balance: To create and sustain working conditions that promote a healthy work-life balance is something TeliaSonera strives for. We offer possibility to work part-time, flexi-time and part-time retirement as well as providing the possibility, when suitable, to work from home. In many operations we subsidize costs for hobby and health activities (e.g. in Estonia and Sweden). Some operations also offer salaried extra days off (e.g. in Norway for senior employees, and in Estonia for employees with two or more children under the age of 12). In Eurasia we comply with local legislation, which generally provide employees with good working conditions (e.g. working part-time or allowing flexible working).

Parental leave / sick child care: TeliaSonera complies with local legislation regarding parental leave and caring for sick children. In some countries where local statutory provisions are lower we enhance the maternity benefits (e.g. in some International Carrier countries). In Denmark the company offers support for sick child care through a local child care network. In Omnitel Lithuania, the company offers mobile working place to support caring for sick children. In Eurasia the local legislation is followed regarding parental leave and child care. The time period for the parental leave as well as the subsidy provided by the company varies between the countries according to local legislation.

Succession planning: On a TeliaSonera group level the Management Team carries out an annual management review led by the CEO. The purpose is to have a good overview of current leadership capabilities, to ensure succession planning and to secure the future talent pool. In a country level many of the local Managing Directors apply similar processes.

EC4 During 2009, TeliaSonera has been granted approximately 23 MSEK mainly for research and development in Finland and Sweden.

EC5 In all of our operations we have an entry level wage that is well above the local minimum wage. In the Baltic and Eurasian countries the entry level varies from 20 to nearly 500 percent over the local minimum wage.

In most of the Nordic countries there is no legislated minimum wage; instead this is regulated in collective agreements. Employees who have entry wages close to regulated levels in the collective agreement, receive a supplement variable salary.

EN5, EN6 Across TeliaSonera’s operations there are a number of ongoing initiatives aimed at increasing energy efficiency. The ambition is to reduce energy need through innovative solutions, use of alternative energy and upgrading of equipment. Examples include:

- During the summer 2009, TeliaSonera in Finland optimized parameters of voice calls in the network to assess if electricity need in 2G base stations could be reduced. A study revealed that the amount of voice calls combined with different base station parameters was affecting electricity consumption. Based on the results the most optimal parameters were selected in order to reduce the electricity need in base stations – without affecting to the quality or capacity of the network. This resulted in a reduction of electricity need by ten percent. The annual saving potential is estimated to be around 2,000 MWh.

- In EMT in Estonia, ventilation systems have been rebuilt to preheat incoming airflow by outgoing air, avoiding separate processes and saving energy.

- By raising the temperature with two degrees and using natural air cooling in Stofa, in Denmark, the energy saving is estimated to amount to some 200 MWh per year.

- In Haninge, Sweden, the use of the latest fuel cell power and redesign of the free air cooling system during 2009 brought energy savings of five GWh. By replacing lamps and lighting used to signal position or warning in masts in Sweden with Light Emitting Diode (LED) technology, further savings will be achieved.

EN7, EN29 TeliaSonera promotes eco-efficiency at offices, including employee commuting and upgrading of premises and properties. Examples of initiatives during 2009 include:

- In Moldova, fuel oil in the boiler house which is located in the headquarter building and used for heating, was replaced with natural gas in March 2009. This reduces costs by five times and CO₂ emissions by three times.

- Sonera participated in the national “Energy savings week” for the second time in Finland. For 2009, employee engagement was in focus. Through competitions employees shared their energy-savings ideas and calculated their
carbon-footprint related to commuting. By highlighting and adopting eco-smart habits, four office buildings together saved electricity amounting to 2,540 kW in one week. Moving ahead, employees have been involved in creating an environmental program for the head-office in Helsinki.

- TEO’s internal environmental project “Save Resources and Change Yourself” has lasted two years in Lithuania. The main goal of the project is to encourage TEO employees and their family members to take concrete actions to save natural resources and reduce pollution. As part of the project, an informative and active campaign on the Company’s intranet page and in the employee newsletter promoted the use of teleconferences and use of electronic signatures. Employees volunteered as Green ambassadors to spread information and advice on environmental considerations. In addition, Omnitel is taking advantage of technical solutions, such as different heating settings for office hours and nights or weekends.

- In Lithuania, Omnitel reviewed internal policies and guidelines to promote the option of distant working. Furthermore, in promoting such practices, Omnitel appealed to the Lithuanian government urging it to define and regulate work outside of the office more clearly in acts of law.

- Omnitel in Lithuania has also launched an initiative to more effectively pool resources when commuting, basically the initiative “Drive and Ride” serves as a car pool. It is accessible from computer or mobile phone via the internet, and all employees that are subscribers will be notified when a colleague is heading to the destination of choice. This idea was nominated as the best Omnitel ambassador’s idea in Omnitel’s idea factory competition in 2008. It was introduced in practice by end of 2009.

EN23 TeliaSonera operations have not reported any significant spills during 2009.

EN26 Re-use of network equipment when upgrading network is increasing across the group. When dismantling mobile base stations, consideration is given to the possibility to re-use the parts elsewhere in the network. Finnish mobile network has had an extended way to re-use the materials within the TeliaSonera parts elsewhere in the network. Finnish mobile network has had increasing across the group. When dismantling mobile base stations, consideration is given to the possibility to re-use the parts elsewhere in the network. Finnish mobile network has had an extended way to re-use the materials within the TeliaSonera parts elsewhere in the network. Finnish mobile network has had an extended way to re-use the materials within the TeliaSonera parts elsewhere in the network. Finnish mobile network has had an extended way to re-use the materials within the TeliaSonera parts elsewhere in the network. Finnish mobile network has had an extended way to re-use the materials within the TeliaSonera parts elsewhere in the network. Finnish mobile network has had an extended way to re-use the materials within the TeliaSonera parts elsewhere in the network. Finnish mobile network has had an extended way to re-use the materials within the TeliaSonera parts elsewhere in the network.

EN28 Within TeliaSonera’s wholly-owned companies there were no incidents to report during 2009.

EN29 Examples of transport initiatives during 2009:

- In Denmark, Stofa launched a project that re-evaluates the entire transport-system within the company. Stofa only buys vehicles with particle filters, and leases significantly fewer and smaller vehicles with better fuel-economy.
- In Azerbaijan, by using Speed Control devices (Drive-Right600) the petrol need has been reduced by eight percent and accidents by 12 percent in 2009.
- In Lithuania, TEO has reduced its transport fleet by approximately 17 percent. By replacing it with more eco-efficient means of transport, fuel savings of 20 percent or more are expected. TEO’s transport fleet includes bicycles for employee commuting.
- In Sweden, Farsta premises, TeliaSonera has installed charging stations for electrical cars.
- In Finland, one team held weekly video meetings with six locations and ten people attending, of which seven persons outside of Helsinki. Mapping the impact, 30 held meetings saved 36,000 EUR in travel costs, ten metric tons CO2 and 24 working weeks in travel time.

Disclosure of management approach/Employment

The TeliaSonera Group HR governance framework is designed to ensure that HR activities support the company’s strategy and overall business goals. The most senior HR position is Senior Vice President, Head of Group HR, who is a part of the Group Management. This ensures that HR is an integrated part of the management agenda.

Among the wholly-owned companies, each business area has its own designated HR Business Partner who has a strategic and operational role in supporting the integration of employee issues into business planning.

LA5 Notice periods vary between different countries and are regulated either by law, collective agreement or personal contracts. The length of the notice period varies from two weeks up to six months. In a majority of the countries the minimum notice period is at least one month. In some countries the company offers longer notice periods than what is regulated by law or collective agreement, for instance in Sweden and Finland as well as some of the countries where International Carrier operates. Our general approach to adjustment plans is to act as a responsible employer and be supportive in finding new employment opportunities inside and outside the company to enable the shortest possible transition period for redundant employees.

Efficiency measures implemented primarily in the Swedish and Finnish operations during 2008 and 2009 were expected to result in a reduction of a total of 2,900 employees. Our general approach to adjustment plans is to act as a responsible employer and be supportive in finding new employment opportunities inside and outside the company to enable the shortest possible transition period for redundant employees.

During 2009 approximately 1,000 employees in Sweden and 900 in Finland accepted termination of employment, accepted an offer of early retirement or left the company for other reasons. In Finland TeliaSonera has applied a redeployment unit model for supporting the transition to new jobs for employees subject to redundancy measures. Participants have been assisted in finding a new position, inside or outside of the company, and have been offered various support services like individual coaching and career planning. In Sweden the company has collaborated with the outplacement organization TRR to provide similar support to employees who were made redundant and in Omnitel the redundant employees were given similar support. In some companies we offer additional severance packages for redundant employees (e.g. Norway, Denmark, France).

LA6 In the Nordic countries, all employees are represented in formal joint management-worker health and safety committees. In Uzbekistan, two such committees exist - one is responsible for monitoring the Health & Safety (H&S) situation within the company and the second for the employees’ competence about H&S matters. In Moldova, no formal committee is in place but a special team within Employee Services Division is responsible for monitoring and advising on occupational health and safety activities. In Kazakhstan, this is a governmental issue. Of the Baltic countries the Estonian operation has a formal safety committee in place.

LA7 Number of lost time occupational injuries, total 45 (63), Fatalities 0 (0).

LA9 In all Nordic and Baltic countries formal agreements regarding Health & Safety issues are in place.
LA10 There is currently no group system to measure average training hours. Local reports indicate that the average hours of training vary between ten to 50 hours per employee and year. The span is depending on different employment categories, in some countries more hours are spent on management training than on general training, while in other countries the situation is the opposite.

LA11 TeliaSonera is a responsible employer and supports the individual employee’s competence development. This is beneficial for the business as well as for the employees’ future employability. Throughout the company a variety of activities and programs aimed at developing employees’ competence are taking place, including on the job training or other internal or external training courses. The need for competence development is subject to discussion as part of annual development dialogues between manager and employee. The company may, when deemed relevant, fund external trainings and in some countries provide support during sabbatical leave for external training, to this date mostly in the Nordic countries.

LA12 In most of the TeliaSonera business units, managers and their employees carry out appraisals on at least annual basis. In some countries appraisals are carried for certain employee categories even more often. During 2009, a new group-wide performance management process was launched. It offers a shared framework and language for defining competencies. As a first step the new performance management process involved 300 managers across the group. By 2011 it will be implemented to include all employees. The new performance management process also includes majority-owned operations.

Annual appraisal processes are in place in: Azercell in Azerbaijan, Geocell in Georgia, Starcell in Cambodia, Kcell in Kazakhstan, Indigo in Tajikistan, Netcom in Norway, EMT, Elion and Microlink in Estonia, Sonera in Finland, Telia in Sweden and Denmark, International Carrier and Broadband Product Management in all countries.

LA13 TeliaSonera’s Code of Ethics and Conduct states that all employees should be treated fairly and equally and that no employee, or candidate, should be discriminated against or harassed. In addition, most operations have HR-policies or local Code of Conducts including non-tolerance of any form of discrimination and/or non-discrimination of women in the recruitment process. Sweden and Finland also have gender equality plans that are updated annually, monitoring and measuring progress. Skanova and International Carrier are examples of operations which have seen an improvement of the gender distribution, including management positions, as a result of dedicated gender equality work. In Eurasia, the Fintur Code of Ethics and Conduct has a special section regulating this issue as well as role grading and salary scales in place to ensure equal treatment of the employees regardless of gender. During 2010 we will implement the revised group-wide Code of Ethics and Conduct across all Eurasian operations.

HR4 Two incidents have been reported, one in Finland and one in Sweden. Both were complaints put forward within the organization. The Swedish case has been resolved but in Finland there is a legal process ongoing.

HR5 Among TeliaSonera’s own operations, we have not identified any business units where the right to exercise freedom of association might be at risk. TeliaSonera supports the international human rights as outlined by the UN declaration and core ILO conventions. Our Code of Ethics and Conduct states that we respect the employee’s right to choose whether or not to be represented by a trade union for the purpose of collective bargaining. The Code is being implemented in all wholly- and majority-owned operations. Most of the countries where we operate, including Eurasia, have legislation that protects the right to join a union. In Uzbekistan, Tajikistan and Nepal we have trade unions representing the employees in place, the trade union in Nepal was formed during 2009.

HR6 Among TeliaSonera’s own operations, we have not identified any business units where there is a risk for incidents of child labor and no such incidents have been reported. TeliaSonera supports the international human rights as outlined by the UN declaration of Human Rights and core ILO conventions.

HR7 Among TeliaSonera own operations, we have not identified any business units where there is a risk for incidents of forced or compulsory labor, and no such incident has been reported. TeliaSonera supports the international human rights as outlined by the UN declaration of Human Rights and core ILO conventions.

SO2 TeliaSonera uses the group-wide internal control environment, periodic internal audits and annual external audit to safeguard company assets and protect shareholder value. This is applied to all units where TeliaSonera has management control. The segregation of duties principle is applied across all relevant business processes and control measures as well as audits may be adjusted according to identified risk exposure.

SO3 CFO office employees have received relevant training related to corruption, fraud and other financial risk management. Within business area Mobility and Broadband training has been developed including a module of the Code of Ethics and Conduct. The training is mandatory, and all employees will go through the program during 2010 and 2011. In Eurasia all employees are aware of the existing Code of Ethics and Conduct as well as all other related policies. All new employees attend a General Induction program including information on the Code of Ethics and Conduct.

SO4 TeliaSonera have no significant issues to report. Incidents violating the business principles and/or policies that have been reported via different channels have been addressed with applicable remedy measures. Violation of the business principles and/or policies in TeliaSonera may lead to termination of the employment and filing of police report.

SO8 TeliaSonera have no significant issues to report.

PR1 Recognizing there may be areas along the life-cycle approach that have improvement potential, TeliaSonera follows the regulation in the local markets and complies with the EU health and safety regulation. Our suppliers generally provide health and safety information in the packaging.

PR4 Two (2) cases reported during 2009.

PR7 Approximately 20 cases reported during 2009.
PR 8  The number of complaints in relation to customer privacy has increased from a total of 19 to 55 during 2009. In most cases, the increase correlates with the increased number of reporting units. For example, Eurasian operations are included for the first time. In several cases, the main reason is a direct customer complaint (e.g. loss of data) or a request by a regulatory body or an authority. The percentage of substantiated complaints varies between the countries.

PR9 There are no significant fines to be reported.

IO2 In Finland and Lithuania TeliaSonera companies have the obligation to provide universal services. In both countries there are legal provisions for compensating operators if the universal service obligation represents an unfair economic burden. However, no compensation has been paid in 2009. In Finland, the part of the net costs constituting an unreasonable financial hindrance shall be compensated to the universal service operator from state funds, if the operator so requests. The compensation for costs is decided by the Ministry of Transport and Communications on the basis of a net cost calculation by the Finnish Communications Regulatory Authority.

IO3 Most field work is outsourced. Employees involved in fieldwork receive training in health & safety and are provided with safety equipment and regular check-ups. Training, extra benefits according to legislation and support are given to employees working under such conditions.

In line with the TeliaSonera Code of Ethics and Conduct we aim to provide and constantly improve a safe and healthy workplace by ensuring safety in work processes, preventing and reacting to conditions of ill-health and supporting measures to promote health and well-being. Throughout our operations we act according to local legislation and collective agreement and take pro-active measures to promote a safe and healthy workplace.

In many countries we also encourage positive health by subsidizing costs for health activities. Most of the Nordic and Baltic countries have special agreements with external health care providers. In most of the Eurasian operations the employees are provided with health and accident insurances. In Azerbaijan this also covers family members. During 2009 Moldova introduced a dedicated function to define Heath and Safety policies, procedures and training. The policy for health and safety control procedures of Eurasian operations requires a management system that ensures that significant risks are identified, assessed and controlled through effective standards. These standards are defined in the Fintur Code of Health & Safety. Azercell’s Health and Safety management system is in accordance with ISO9001:2000. Most Eurasian companies have an H&S committee.

PA3 In addition to other examples of Six Sigma achievements, Omnitel in Lithuania has achieved significant improvements, saving 50 percent of investments for capacity increase while at the same time reducing the drop call ratio five times and increasing capacity by seven percent. Moreover, by optimizing network parameters the duration between charges of a battery of a mobile device, which is used for mail services, was increased by three times.

PA4 TeliaSonera continuously improves and expands mobile coverage by building a large number of new cells each year. We are expanding coverage not only where people live, but also where they work, travel and spend leisure time. Below are the coverage rates with regard to population in the respective countries.

**Nordic and Baltic**
- Sweden, Finland, Norway, Denmark, Lithuania: appr. 100%
- Estonia (EMT): appr. 100%

**Eurasia**
- Azerbaijan (Azercell): appr. 100%
- Moldova (Moldcell): over 95%
- Georgia (Geocell): appr. 100%
- Kazakhstan (Kcell): over 80%
- Uzbekistan (COSCOM/UCell): appr. 85%
- North Tajikistan (Somoncom/Indigo): appr. 100%
- South Tajikistan (Indigo): appr. 80%
- Nepal (Ncell): over 60%
- Cambodia (Applifone/Star-Cell): appr. 40%

PA5 TeliaSonera offers low cost brands and pre-paid subscriptions in each of our major markets.

PA9 In 2009, TeliaSonera allocated SEK 700,000 to EMF research. In addition, part of the member fee for the GSM Association is allocated to EMF research.

PA10 To ensure clarity on tariff scheme, group level pricing principles have been established for mobile data during 2009. Across the local markets, there are a number of initiatives to improve customer clarity of tariffs and prices. For instance:

- Initiatives to simplify pricing for customers include the launch of triple play packages in Sweden, with three services in a one fixed monthly price including one bill.
- My Sonera concept in Finland enables customer to tailor the best fit subscription and service package to his or her needs.
- Ucell has launched a unique corporate tariff - “Tadbirkor” - to support entrepreneurs and businesses in Uzbekistan. “Tadbirkor” is a corporate tariff offering affordable yet high quality mobile communication, as outgoing calls within the corporate group are free of charge, coupled with all incoming calls free of charge and affordable prices for other calls.

TA1, EN26 In addition to unified communications and video- and teleconferencing offerings, TeliaSonera offers services that save resources, and enable replacing physical travel. For instance:

- Mobile banking services in Kazakhstan, Azerbaijan, Cambodia and Georgia.
- In Kazakhstan electronic payment equipment has been installed in public transportation (buses).
- Self-service options for managing the subscription on most of our markets, for example: dedicated electronic payment terminals for topping up prepaid cards in Moldova.
- Omnitel continually invests to create environmentally beneficial services and payment methods. This include multi-use prepaid calling cards, the possibility to pay the bills on the Internet or with the Omni ID card, and the opportunity to manage bills on Omnitel’s online self-service, fleet management solutions, Mobile teleconference, Mobile e-signature and Mobile e-mail for private customers. The most widely used services in 2009 were Teleconference, Music rent (no need to buy CD) and Electronic bills.
- As of 2009, GSM Kazakhstan/Kcell has provided the following services: 1. ActiVe e-payments via banks (Kazkommertzbank, Bank Turan Alem), 2. WEB based self-service Internet Customer Service (call logs, tariffs change, number block, account status, active bonuses, “favorite numbers”, list of services and tariffs, enrolled payments).
TA2

Additional examples of TeliaSonera services that can replace travels:

- Omnitel in Lithuania offers services for distant working such as mobile internet, mobile e-mail and teleconferencing. In addition, offers include a number of services to help in everyday life; mobile banking solutions (via WAP portal – Omni SurfPort), mobile payment for parking, coffee-machine services; online newspapers and mobile TV on Omni SurfPort; e-signature identification solutions; mobile solutions for remote control of house utility systems; mobile solutions for vehicle tracking.
- In EMT in Estonia, Conference Calls, EMT Internet Calls and Mobile ID to sign documents are among the services.
- Sonera in Finland has achieved good results with remote controlling by making customers’ business more efficient and helping to reduce environmental impact. Several cases were concluded in 2009 where practical solutions were applied to customers’ problems, for instance:
  - The city of Tampere is planning on cutting energy costs by nine percent until the year 2016. To help reaching this goal, the city is using an alarm- and distance control service from Sonera. It enables a centralized control over heating and lights and maintenance from a distance; Solution or food supply chain self surveillance from A-lab where they provide solutions for small food supply businesses to control the temperatures of their products. The service includes alarms in mobile phones;
  - Vattenfall Verkko is using Sonera’s remote controlling services in Finland. It is estimated that by using Sonera’s remote controlling service, annually 709 tons of CO₂ are saved due to reduced need to travel for measuring and maintenance.
- In Moldcell, Moldova, Transport Manager Service provides seamless tracking of the vehicle. Through a joint project with Justar Security Agency customers are provided instant communication of security alerts via SMS.
- Mobile device is seen as a way to handle money, thus mobile banking services are available in four Eurasian countries. Even further mobile device has been used to connect to utility companies or as a means of security.
- In Lithuania TEO’s daughter company Lintel introduced the possibility for some 35,000 school graduates entering universities and colleges to get entrance results by SMS. Cooperation with National Exam Center has lasted for five years.
- TeliaSonera International Carrier target the so called Community education, i.e. universities and other educational institutions in order to proved the Media Distribution Service to facilitate online e-learning globally delivering huge social and economic benefits. One case is the ongoing agreement with the Royal Institute of Technology and the MidUniversity in Sweden. Click here for a White Paper on the topic.
- In Sweden, Telia published a White paper on Green It. Click here for the White paper.
- In April TEO in Lithuania completed the installation of cameras to increase security in Druskininkai town. This will allow more efficient police work, as 27 cameras are used for observing entrance into the town, the biggest crossroads, squares and the most important city objects. Druskininkai is the eleventh town in the country in which TEO has installed security cameras.
- In Denmark, e-pads (electronic signature) are used in shops, which saves both time and paper consumption. Monitoring of paper consumption in shops as well as at the office at Holmbladsgade has not yet been established, but reduction of paper consumption will be a point of focus in 2010.

TA3

In 2009, TEO clients in Lithuania have chosen teleconference service instead of business travels more often. The number of users during 2009 has grown by 70 percent and the number of calls has more than doubled.

TA5

TeliaSonera Group protects its intellectual property to guard the results of TeliaSonera’s R&D investments, prevent third party interference in the activities of TeliaSonera, create additional income from technology marketing and create the means for TeliaSonera to negotiate, in cross-licensing and conflicts with third parties. TeliaSonera Group has approximately 500 patent families. TeliaSonera Group has protected the corporate name and locally used brands as trademarks in the respective business areas. TeliaSonera is using several licensed open-source solutions.
About the CR report

Scope of this report

TeliaSonera’s Corporate Responsibility Report 2009 outlines what we have achieved during 2009, and indicates our ambitions for the coming years.

The annual CR report covers events and development during the calendar year 2009. The previous CR Report was published in March 2009.

Since 2004, TeliaSonera applies the Global Reporting Initiative (GRI) guidelines for reporting on corporate responsibility.

The 2009 CR Report content reflects the CR issues that have been identified as being the most material for TeliaSonera and its stakeholders in the materiality analysis, based on input from both internal and external stakeholders.

Management information and narrative information on strategies and initiatives contains information from all operations within the TeliaSonera Group, except associated companies.

During 2009, we made further progress in consolidating corporate responsibility information from the whole group. However, our system for reporting and consolidating key CR indicators for majority-owned businesses is still under development. Therefore the degree of completeness varies.

100 percent of the human resources data represents entities covered by the report. Reporting of environmental performance for scope 1 and 2 emissions includes information from up to 80 percent of our markets, and for the other key indicators 56 percent of the markets (excluding International Carrier operation countries).

Future improvement areas remain, especially in ensuring quality of data in terms of consistency, completeness and comparability. In particular there is limited information for Nepal and Cambodia. Latvia and Spain reports narrative information but no environmental operational data.

Data collection process and changes in methods

In 2009, TeliaSonera Eurasian operations provided operational performance data for the first time.

For the GHG Protocol Scope 3, operational data from our supply chain is included.

GRI guidelines v.3.0 and the Telecom industry sector appendix are applied to collect the data from our operations using the CR reporting network.

Data collection methods are continuously strengthened and improved in order to ensure reliable, complete, accurate and transparent data. The current report is not subject to external assurance. For 2010, our aim is to conduct an internal audit for environmental performance indicators.

TeliaSonera applies the Greenhouse Gas (GHG) Protocol in environmental performance reporting of emissions. The GHG Protocol categorizes direct and indirect emissions into three broad scopes:

- Scope 1 includes all direct GHG emissions, e.g. emissions from company-owned vehicles and fuel combustion.
- Scope 2 includes indirect GHG emissions, from consumption of purchased electricity, heat or steam.
- Scope 3 are all other indirect emissions, such as the extraction and production of purchased materials and fuels, employee business travel and transport-related activities in vehicles not owned or controlled by the reporting entity, outsourced activities, waste disposal, etc.

Applying the GHG Protocol Scope 1–3 in our reporting, TeliaSonera has restated the data for environmental results from previous years. Specifically, fuels used by our own/controlled car fleets are included under GRI-indicator EN3 instead of EN17 as previously. With regard to the GHG Protocol Scope 3, partial operational data from the supply chain is included in EN17.

CR Report target group

TeliaSonera CR Report is intended to respond to internal and external stakeholders’ quests for information and increased transparency regarding our sustainability work. This includes customers, owners, investors, suppliers and media.

The information should also be useful for our partners and NGO’s, and for future TeliaSonera employees. Internally, we use the CR Report to highlight and share information about best-practice across the group, reaching all current employees within TeliaSonera.

Feedback on this report

To help us improve, we invite all stakeholders to provide feedback on this report and on TeliaSonera’s CR work. Please send your comments to: csr-hq@teliasonera.com.
Contact TeliaSonera

TeliaSonera AB
Mailing address:
TeliaSonera AB
SE-106 63 Stockholm
Sweden

Visiting address:
Stureplan 8, Stockholm

Telephone: +46 (0)8 504 550 00
Fax: +46 (0)8 504 550 01
Email: teliasonera@teliasonera.com

Group Corporate Responsibility
Minna Pajala-Hammar
Mailing address:
TeliaSonera AB
SE-106 63 Stockholm
Sweden

Telephone: +46 (0)8 504 550 00
Fax: +46 (0)8 611 46 42
Email: csr-hq@teliasonera.com

Production
Production: TeliaSonera AB Corporate Responsibility in cooperation with Hallvarsson & Halvarsson
Online speech enabling: VoiceCorp
Film production: Creo Media Group
Glossary

CDP
Carbon Disclosure Project

ECPAT
End Child Prostitution, Child Pornography And Trafficking of Children for Sexual Purposes (NGO)

EFCA
Eurasian Foundation Central Asia

EMF
Electromagnetic Fields

ETNO
European Telecommunications Network Operators’ Association

EWC
European Works Council

FTTH
Fibre to the home

GBAO
Gorno-Badakhshan Autonomous Province

GDR
Global Design Resources

GeSi
Global e-Sustainability initiative

GHG
Greenhouse Gas

GRI
Global Reporting Initiative

GSMA
Groupe Speciale Mobile Association

GSMe
European affiliate of Groupe Speciale Mobile Association

ICNIRP
International Commission on Non-Ionizing Radiation Protection

ICT
Information and communication technology

IFTDO
International Federation of Training and Development Organisations

ILO
International Labour Organization

ISP
Internet Service Provider

NGO
Non Governmental Organizations

OECD
Organisation for Economic Co-operation and Development

PRI
Principles for Responsible Investments

SRI
Socially Responsible Investment

WHO
World Health Organization

WWF
World Wildlife Fund