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TeliaSonera’s corporate responsibility work mainly involves ensuring environmental and social sustainability along our supply chain, taking care of the well-being of our employees, diminishing our own and our customers’ carbon footprints, complying with ethical business practices in all markets, protecting customers’ privacy and children online, and supporting research related to exposure to electromagnetic fields. This work is guided by TeliaSonera’s Code of Ethics and Conduct which serves as an overall policy document, for all our majority-owned companies. We also strive to get the main principles implemented in associated companies through our influence on their respective boards.

In early 2011 the TeliaSonera board approved our new Privacy Policy. This policy includes commitments on the provision of information to customers and the authorities; user consent; the collection, processing and retention of data; data accuracy; risk assessments; requirements imposed on suppliers; technical and organizational measures; and confidentiality. A two-year program has been prepared to implement the policy.

Together with a number of other telecommunication operators and vendors, TeliaSonera started a dialogue with the aim to explore links and boundaries between a government’s duty to protect human rights and the responsibility of a business to respect human rights. The aim is to define, based on a broad stakeholder dialogue, a set of broadly accepted principles, tools and due diligence mechanisms designed to ensure both respect for privacy and freedom of expression. During 2011 TeliaSonera also conducted a bi-annual Employee Commitment Score (ECS) survey in order to assess our employees’ perceptions of our values, business and relationships, and of our ability to make things happen. The result was a record high overall score for employee commitment (74/100).

Injuries related to occupational health and safety (OHS) in our operations continued to decline during 2011. This was also the first year for which we have collected data on OHS indicators from our contractors for the purposes of reporting.

TeliaSonera pays special attention to protecting children and young people from abuse within the scope of our services. In 2011, TeliaSonera became a founding leader in the EU CEO Coalition to Make the Internet a Better Place for Kids initiative. Launched by the European Union, this initiative has resolved to take action and channel resources from its member organizations and partners in order to find suitable and practical solutions for protecting children.

### TeliaSonera Group Key Indicators

<table>
<thead>
<tr>
<th>Metric</th>
<th>2011</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales, SEK million</td>
<td>104,354</td>
<td>106,979</td>
<td>109,550</td>
</tr>
<tr>
<td>Income taxes, SEK million</td>
<td>5,702</td>
<td>6,374</td>
<td>6,334</td>
</tr>
<tr>
<td>Total personnel expenses, SEK million</td>
<td>12,628</td>
<td>13,685</td>
<td>14,806</td>
</tr>
<tr>
<td>Operating expenses, SEK million</td>
<td>55,627</td>
<td>56,899</td>
<td>58,415</td>
</tr>
<tr>
<td>Capital expenditures (CAPEX), SEK million</td>
<td>17,243</td>
<td>14,934</td>
<td>14,007</td>
</tr>
<tr>
<td>Dividends paid to owners of parent company, SEK million</td>
<td>12,349</td>
<td>10,104</td>
<td>8,083</td>
</tr>
<tr>
<td>Total social investments, SEK million</td>
<td>72,3</td>
<td>50,5</td>
<td>44,9</td>
</tr>
<tr>
<td>Total number of subscriptions, millions</td>
<td>170</td>
<td>157</td>
<td>147</td>
</tr>
<tr>
<td>Customer satisfaction (EPSI), 1-100</td>
<td>70.6</td>
<td>70.7</td>
<td>69.5</td>
</tr>
<tr>
<td>Total number of employees Dec 31</td>
<td>28,412</td>
<td>28,945</td>
<td>29,734</td>
</tr>
<tr>
<td>Women in workforce, %</td>
<td>44</td>
<td>46</td>
<td>44</td>
</tr>
<tr>
<td>Lost day rate related to injuries</td>
<td>2</td>
<td>0.5</td>
<td>-</td>
</tr>
<tr>
<td>Employee commitment score (ECS)</td>
<td>74</td>
<td>-</td>
<td>72</td>
</tr>
<tr>
<td>Purchased electricity consumption, MWh¹</td>
<td>1,229,444</td>
<td>1,140,071</td>
<td>1,062,158</td>
</tr>
<tr>
<td>Renewable electricity, %</td>
<td>50</td>
<td>52</td>
<td>39</td>
</tr>
<tr>
<td>Direct and Indirect CO₂ emissions (scope 1 and 2), metric tons²</td>
<td>222,154</td>
<td>197,980</td>
<td>187,085</td>
</tr>
<tr>
<td>No. of complaints regarding customer privacy or loss of data</td>
<td>66</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

¹ Not comparable with different years due to changes in scope and regional coverage.
² Including wholly and majority-owned operations and associated companies.
At TeliaSonera, corporate responsibility is a natural and integral part of conducting our business, not a list of external requirements we must try to fulfil. Corporate responsibility makes perfect business sense as it is about earning a license to operate, mitigating risks, reducing cost, and gaining competitive advantage.

We strictly apply TeliaSonera’s Code of Ethics and Conduct in all our operations. Although we recognize that the challenges we face in some areas are tougher than in others, this cannot justify any lowering of standards. For example, we have a zero tolerance against corruption. We must instead fully understand local conditions and find new ways to resolve complex issues. We cannot change the world alone, but by acting responsibly within our sphere of influence we can significantly contribute towards positive developments.

Over the past decade, we have established profitable operations across our Eurasian footprint, where TeliaSonera is the leading mobile operator, and will continue to develop our business in this part of the world. Telecommunications plays a very important role in society, driving growth, competitiveness, transition to a knowledge-based society and socio-economic development. These trends are exactly what many countries need to overcome social and democratic challenges.

In order to become a world-class service company we rely on involved and committed employees as well as experienced management. We regularly measure employee commitment based on a number of questions. The results of this survey show that we are on the right track.

We bring value to our customers by helping them to reduce their environmental footprint through the products and services we provide. Modern tele- and videoconferencing technologies reduce the need for business travel. This cuts costs, saves valuable time, and also reduces environmental impact.

TeliaSonera pays special attention to protecting children online. For this reason, it was a natural step to become a founding leader in the EU initiative “The CEO Coalition to Make the Internet a Better Place for Kids”. The coalition aims at developing practical solutions on, such as parental control, content classification and the takedown of child sexual abuse material.

Freedom of expression and privacy, important parts of human rights, are at the core of our business. The free flow of information spurs business and privacy is of essence for our customers’ trust in our networks and services. In 2011, TeliaSonera, together with a number of other operators and vendors, initiated and now actively participate in a multi-stakeholder dialogue to define a set of broadly accepted principles, tools and due diligence mechanisms to ensure both privacy and freedom of expression.

Our systematic work to turn corporate responsibility requirements into reality have been acknowledged by our stakeholders, as we have received several welcome recognitions for our responsibility work and performance. I still believe that there is much more to be done, but we are making good progress.

This report describes our corporate responsibility performance in 2011, explaining the risks and opportunities we face, as well as outlining our short- and long-term priorities. I hope this will give you a clear idea of what we aim to achieve, and that you will be interested to learn more about these vital aspects of our work.

Lars Nyberg
President and CEO
Scope and profile

TeliaSonera’s Corporate Responsibility Report 2011 aims to respond to internal and external stakeholders’ interest for information, and requests for increased transparency regarding our sustainability work. Internally, we use our Corporate Responsibility (CR) Report to compile, highlight and share information about best practices across the whole group.

This report discloses our CR performance during the calendar year 2011, and describes our objectives for the coming years. Our previous CR Report was published in March 2011. This report is published as a digital report on www.teliasonera.com. The online version of the TeliaSonera CR Report contains the same information as the downloadable PDF version. The report will also be available in iPad/ iPhone or Android based platforms.

TeliaSonera applies the Global Reporting Initiative (GRI) guidelines for reporting on corporate responsibility, including the telecommunications sector supplement pilot. The new GRI version 3.1 has been applied this year. We have self-declared our CR reporting to correspond to GRI Application Level B. The 2011 report has not been subject to external assurance.

Scope of this report

The scope of our consolidated data on corporate responsibility generally follows established principles of financial reporting. This means that the consolidated financial statements include all companies under TeliaSonera’s control, i.e. wholly-owned or majority-owned companies. Figures from the associated companies are not consolidated into group-level performance data however.

During 2011, we continued to consolidate data from our wholly- and majority-owned companies. As our CR reporting system is still under development, the degree of data completeness varies. During 2012 we will pay special attention to our reporting and data consolidation work by focusing on the quality of the data in terms of consistency, completeness and comparability.

- Consolidated environmental performance data covers 14 of the 15 reporting countries. Latvia has not reported data on environmental performance. TeliaSonera International Carrier’s operations outside the Nordic region are excluded, except for their business travel by air and estimated electricity use.
- Consolidated Occupational Health and Safety (OHS) performance data covers our permanent and temporary employees as of December 31, 2011, and very partial information from our contractors.
- Human Resources (HR) data derived from financial accounting and HR data derived from separately collected HR statistics covers our permanent and temporary employees as of 31 December 2011.

Profile

GRI guidelines and the related telecommunications sector supplement have been applied in the compilation of data on our operations.

TeliaSonera applies the Greenhouse Gas (GHG) Protocol of the World Resources Institute (WRI) and the World Business Council for the Sustainable Development (WBCSD) to calculate our carbon dioxide (CO₂) emissions for scope 1 and 2, and partially for scope 3.

TeliaSonera has restated data from environmental results from previous years where applicable. For the GHG Protocol Scope 3, operational data from our supply chain mainly includes data from travel agencies and network construction, maintenance, postal and waste transportation companies.

Our environmental, occupational health and safety and human resource performance data is checked internally before data consolidation.
Corporate responsibility issues in TeliaSonera’s value chain

The most important corporate responsibility issues related to our operations are presented here. The issues selected include those seen by our stakeholders as key to our operations, and those that we ourselves consider to be central to our business.

The materiality of these issues has been evaluated on the basis of contacts and communication with our stakeholders. For more details see Stakeholder management.

Supply chain
Ensuring environmental and social acceptability along our supply chain:
- Complying with ethical business practices
- Compliance with human rights and labor laws where contracted labor is used
- Good occupational health and safety practices for contracted labor
- Improved eco-efficiency of the equipment and devices we buy
- ICNIRP and CENELEC standards to be followed for purchased handsets with maximum allowable SAR values. All base stations must comply with ICNIRP guidelines

TeliaSonera’s own operations
Being a good employer:
- Respecting core labor rights
- Occupational health and safety performance in relation to field workers and maintenance personnel
- Promoting diversity, performance management and talent management
- Minimizing the environmental impact of our operations
- Improved energy efficiency and reducing our carbon dioxide emissions
- Organizing the recycling of the equipment we sell and use

Customers and Markets
Responsibility in the market place:
- We are committed to enhance our work to protect our customers’ privacy
- We need to provide the market with clear pricing models, balanced product information, and sound marketing practices related to net neutrality and content, and when addressing issues related to minors
- We must ensure compliance with high ethical business practices in all the markets where we operate, and in dealings with all of our business partners along our value chain
- TeliaSonera’s products and services give our customers opportunities to reduce their carbon footprints

Society
Contributing to a world with better opportunities and a more inclusive society:
- Customer’s privacy, in the context of possible governmental surveillance and freedom of expression, represents a growing challenge for the whole telecommunications industry. It is vital for us to further understand the boundaries of responsibility, acceptable conduct, and the meaning of “respect for human rights” within this context
- TeliaSonera’s operations have wide positive effect on socio-economic development. Our business drives growth and economic development by directly and indirectly creating job opportunities and by financially contributing to societies wherever we operate
- Telecommunication services can be used as a vehicle for the sexual abuse of children. Our duty is to protect children in collaboration with the authorities and other stakeholders
- There is increasing concern about exposure to electromagnetic fields (EMF) around mobile terminals and base stations. TeliaSonera is committed to pro-active and transparent practices, and we support independent research on these issues

Shareholders and Investors
- TeliaSonera aims to be a preferred investment for mainstream domestic and foreign investors, as well as Socially Responsible Investors (SRI)
- The largest shareholders in TeliaSonera are the states of Sweden and Finland. Both states have established robust CR criteria as part of their ownership policies

Stakeholder management
Managing corporate responsibility

TeliaSonera’s core business is to offer services that help people and companies to communicate. Our services drive growth and competitiveness, contribute to a more open and digitally inclusive society, and are environmentally friendly. All in all, corporate responsibility is naturally embedded in our business strategy and forms part of our daily work.

We account for corporate responsibility throughout the whole value chain, and aim to be fully accountable to our stakeholders. We use the term corporate responsibility as an umbrella term to describe responsible business operations designed to realize our economic, environmental and social responsibilities. Our corporate responsibility work mainly involves ensuring environmental and social sustainability along our supply chain, taking care of the well-being of our employees, diminishing our own and our customers’ carbon footprints, complying with ethical business practices in all markets, protecting customers’ privacy, protecting children online, and supporting research related to exposure to electromagnetic fields.

Our corporate responsibility (CR) work is guided by TeliaSonera’s Code of Ethics and Conduct, which serves as an overall policy document, covering our wholly- and majority-owned companies. We also strive to get the code implemented in associated companies through our influence on their respective boards.

Governance

TeliaSonera’s Corporate Governance Statement is presented in the Annual Report 2011. Our Board of Directors has overall responsibility for CR issues and our Code of Ethics and Conduct (the Code).

In operational terms our management at all levels is responsible for putting the Code into practice.

At TeliaSonera Group level, CR issues are the responsibility of the Head of Group Communications, who is also a member of TeliaSonera Group Management. The Head of Corporate Responsibility, who reports to the Head of Group Communications, and the Group Corporate Responsibility function are together responsible for planning, coordinating, developing and communicating our CR strategy and managing CR issues throughout the TeliaSonera group. The Group CR function also supports business areas, business units and other corporate functions on CR issues including those related to risk management, projects and initiatives, and stakeholder dialogues.

Our Group CR function works closely with our internal CR network. This network consists of representatives from TeliaSonera’s business areas and business units. It represents a valuable channel for exchanging information, sharing best practices, and fostering CR implementation.

Objectives and targets

In 2011, TeliaSonera’s management agreed on a long-term approach towards corporate responsibility. The company aims to ensure that its corporate responsibility management is constantly up-dated on present and future drivers and developments, and that our stakeholders can play a pro-active role. The aim is that TeliaSonera should:

• be seen as the preferred partner in the value chain, bringing development, fostering ethical business practices, and preventing the unethical use of our products and services
• bring value to our customers by helping them to reduce their environmental footprint through the products and services we provide, and through our own actions
• pro-actively provide accessible, reliable, balanced and transparent information on our CR performance to our shareholders, financiers, analysts and other interested stakeholders

The table on the following page sets out the focus areas for our CR work. These focus areas have changed since a similar table was published in our Corporate Responsibility report 2010, following strategic changes in our long-term approach.
## TeliaSonera’s Corporate Responsibility Goals

<table>
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<tr>
<th>Goals</th>
<th>Achievements in 2011</th>
<th>Short-term actions for 2012</th>
<th>Long term ambition by 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continue to implement TeliaSonera’s Code of Ethics and Conduct across our operations.</td>
<td>Group Privacy Policy approved by TeliaSonera Board.</td>
<td>Develop a group-wide e-learning tool for the Code.</td>
<td>All TeliaSonera employees are well aware of our Code and respect it throughout their work.</td>
</tr>
<tr>
<td>Develop our Supplier Code, strengthen our risk-based supplier assessment process, and improve tools.</td>
<td>Plan for supplier monitoring established.</td>
<td>Revision of the Supplier Code. A supplier monitoring system will be developed, and implementation initiated.</td>
<td>All main suppliers should follow and respect TeliaSonera’s Supplier Code. Our supplier monitoring system should be fully in place to enable suppliers’ performance to be followed.</td>
</tr>
<tr>
<td>Improve the evaluation of CR risks in investment decisions.</td>
<td>CR risk assessment successfully tested as part of due diligence processes. CR risks reported as part of risk management.</td>
<td>Integrate CR risk evaluations into routine decision-making processes.</td>
<td>CR risk evaluations should be an integral element of all major investment decision-making processes.</td>
</tr>
<tr>
<td>Improve Group Corporate Responsibility reporting.</td>
<td>No change in scope in 2011.</td>
<td>Evaluate and implement a CR data gathering system. Work towards external verification of the CR Report.</td>
<td>TeliaSonera’s CR reporting should be seen as providing reliable and transparent information on our CR performance.</td>
</tr>
<tr>
<td>Improve understanding across the Group of our Human Rights impact, based on the UN Guiding Principles on Business and Human Rights.</td>
<td>TeliaSonera initiated and participated in a related industry dialogue.</td>
<td>Conduct a human rights impact assessment. Based on the results prepare a mitigation plan for negative human rights impact.</td>
<td>TeliaSonera has full understanding of the human rights impact of our operations, and pro-actively works to mitigate non-compliances.</td>
</tr>
<tr>
<td>Implement the Group Privacy Policy.</td>
<td>Implementation plan developed based on a pre-study.</td>
<td>Implementation plan to be executed based on continuous risk analysis and prioritization.</td>
<td>TeliaSonera has a firm on-going process in place to protect privacy, taking technological and business developments into account as well as users’ expectations.</td>
</tr>
<tr>
<td>Work towards a low-carbon society: by minimizing our climate impact and enabling our customers to mitigate theirs.</td>
<td>Pre-work for the new group environmental targets conducted.</td>
<td>Set new group environmental targets. To establish an operational plan for the targets and to start implementation.</td>
<td>Environmental targets should be achieved by 2020.</td>
</tr>
<tr>
<td>Protecting children on line.</td>
<td>Targets set within the ICT industry in Europe.</td>
<td>Within TeliaSonera, make a plan for business areas for target implementation. Assure implementation and compliance.</td>
<td>TeliaSonera is recognized as a leading company in the context of protecting children on line.</td>
</tr>
</tbody>
</table>
Code of Ethics and Conduct

TeliaSonera’s corporate responsibility work is guided by our Code of Ethics and Conduct. This Code summarizes our commitments to corporate responsibility and gives guidance on how our employees should interact with different stakeholders, including our customers, business partners, competitors, co-workers, shareholders, governments and regulatory bodies, as well as local communities wherever we operate. The Code builds on our mission, vision and shared values, and has been designed for application in our day-to-day operations. The Code is available in 21 languages to facilitate dissemination and understanding throughout our operations and across all markets.

We started to implement the Code in 2010, when it was introduced through a first round of briefing sessions across all of our staff functions and in all of the countries where we operate.

During 2011 this implementation work continued, addressing country-specific and function-specific challenges. A Group Privacy Policy was also introduced.

In order to better respond to challenges related to compliance with the code and monitoring, we will be introducing a related e-learning tool in 2012. Every TeliaSonera employee will take part in this exercise. The tool will provide concrete examples to enable everyone to understand the practical issues that the Code covers.

Compliance and whistle-blowing

Our employees are expected to follow the Code in their day-to-day work. They are also encouraged to report any violations of the Code. Violations should primarily be reported through the ordinary reporting channels such as reporting to his/her line manager, local management team or HR Director.

There might be situations however where the employee doesn’t feel comfortable raising concerns via these channels. In such cases TeliaSonera provides a possibility to raise concerns through our whistle-blowing channel. Employees can report any misconduct in their own language. Any employee who files such a report in good faith will be safeguarded against any form of retaliation, discrimination or penalty. Such reports may also be submitted anonymously in countries where this is legally permissible. All cases arising through our whistle-blowing system will be duly examined and processed. During 2011, we received four complaints relating to misconduct via the formal whistle-blowing channel. All the cases were examined.

In 2011 TeliaSonera was not subject to significant fines or sanctions related non-compliance with laws and regulations.

External commitments and industry initiatives

TeliaSonera is committed to:
- The United Nations’ Universal Declaration of Human Rights
- The Core Conventions of the International Labor Organization
- OECD Guidelines for Multinational Enterprises

These commitments are incorporated into our Code of Ethics and Conduct, and form an integral part of our corporate responsibility management.

We additionally support the principles of the United Nations’ Global Compact, even though TeliaSonera is not a signatory to the compact. Five TeliaSonera group companies are direct signatories of their national Global Compact Networks:
- TEO and Omnitel in Lithuania
- Kcell in Kazakhstan
- Geocell in Georgia
- Moldcell in Moldova

Our associated company, Turkcell in Turkey, has also signed the UN Global Compact.

Managing corporate responsibility risks

TeliaSonera’s risk management work covers all kinds of risks that could have a material adverse effect on our business. The risks sections in the Report of Directors and in the Notes to the Financial Statements in TeliaSonera’s Annual Report 2011 provide an overview of the general risks identified in relation to our business. Group-level risks are monitored by the Board of Directors in quarterly risk reports. Our Head of Corporate Control also serves as Chief Risk Officer, and this role involves preparing policies, issuing guidelines and instructions regarding risk management across the Group. The involvement of the business units in this process is essential in terms of identifying significant local risks, including potential asset level risks. The business units are also responsible for setting up systems for reporting and developing action plans to address such risks.

Corporate responsibility risks form an important part of our risk management approach, as they also enable us to protect and increase our company’s value. Such risks may occur anywhere along TeliaSonera’s value chain from our suppliers to our market presence. During 2011 our CR risk assessment process was improved and tested in the context of mergers and acquisitions. Such risk assessments include evaluations of risks related to human rights and labor rights. During 2012 we will develop a process designed to permanently integrate CR risk evaluation into formal decision making in relation to mergers and acquisitions.
The most important CR risks related to TeliaSonera’s operations are categorised as follows:

- Risks related to the industry and market conditions
  - Emerging markets
  - Climate change, fuel and energy taxation, and related regulations
  - Energy prices and shortages
  - Allegations of possible health risks
  - Network integrity and data security

- Risks related to TeliaSonera’s operations and strategic activities
  - Supply chain
  - Cases of emergency
  - Internet attacks, pandemics and other disasters

- Risks related to associated companies and joint ventures

For more information about CR risks and how we aim to mitigate them, see the Risk management section at the Annual Report.

Human rights and ethical business practices – high risk to telecom industry

Transparency International’s research on governance practices across industries in 2010 indicates that issues related to human rights and corruption pose a high risk to the telecom industry. The main risks include being complicit in violating human rights due to a failure to uphold customer privacy and network integrity, excessive governmental requests to the detriment of privacy and freedom of expression, and the risk that telecom services could be used in the sexual exploitation of children.

The research also mentions risks related to illegitimate financial transactions or inappropriate political contributions to governmental parties or authorities in connection with license negotiations. For more details of how we manage customer privacy, please go to: Responsibility in the marketplace. For more information on our efforts to help protect children online, see TeliaSonera in society.

The human rights and business practice risk map summarizes the main human rights and business practice risks in countries where TeliaSonera operates.

In order to mitigate the risks related to our operations we exercise control over our wholly- and majority-owned operations. In our associated companies, MegaFon and Turkcell, TeliaSonera relies on these companies’ established risk management structures. We also strive to use our board presence and active ownership practices to promote the implementation of ethical business practices, respecting human rights, and stringent governance.

TeliaSonera complies with the United Nations’ Human Rights declaration and the Core Conventions of the International Labor Organization (ILO). This means, for example, that we guarantee the labor rights defined in the ILO core conventions for every TeliaSonera employee wherever they work. We also require our suppliers to comply with the same basic labor laws.

Freedom of expression – a human rights dilemma

Telecommunication infrastructure and services contribute to social development, economic growth and more open societies. TeliaSonera believes that the telecommunication industry will ultimately be able to provide tools that can make a significant contribution to efforts to promote freedom of expression, even in countries where such freedoms are presently limited.

At the same time, national authorities need to safeguard national security and combat crime. Such needs lead to legislative, administrative, license or other requirements to which everyone in a society, including industry, must adhere. Compliance with these regulations can in some cases have negative effects on the freedom of expression, where requirements related to law enforcement and national security are excessively stringent.

Human rights hot spots for the telecommunication industry include issues such as the amounts of personal data stored, lawful interception, government relations, content restriction, and license agreements.

TeliaSonera sees the new UN Guiding Principles on Business and Human Rights as a significant milestone that clarifies both governments’ duty to protect human rights, and businesses’ responsibility to respect human rights. Together with a number of other telecommunication operators and vendors, TeliaSonera has started to define how these UN principles should be applied in the telecommunication sector, addressing governmental requests in relation to freedom of expression and privacy.

This industry dialogue was initiated during the summer of 2011. The aim is to define, based on a broad stakeholder dialogue, a set of broadly accepted principles, tools and due diligence mechanisms designed to ensure both respect for privacy and freedom of expression. During the initial stages of the dialogue participants are seeking input, ideas and feedback from a wide range of stakeholders, to ensure that it will be based on a good understanding of stakeholder expectations.
HUMAN RIGHTS AND BUSINESS PRACTICE RISK MAP

NORDIC COUNTRIES
Democracy level: Free: Denmark, Finland, Norway, Sweden
Corruption Index: Low risk: Denmark, Finland, Norway, Sweden
Human Development Index: Very high level: Denmark, Finland, Norway, Sweden
ILO Core Labour Conventions: All countries have ratified the ILO Core Conventions

EURASIA
Democracy level: Not free: Azerbaijan, Kazakhstan, Tajikistan, Uzbekistan
Partly Free: Georgia, Moldova, Nepal
Corruption Index: Medium risk: Georgia, High risk: Azerbaijan, Kazakhstan, Moldova, Nepal, Tajikistan, Uzbekistan
Human Development Index: High level: Azerbaijan, Georgia, Kazakhstan
Medium level: Moldova, Tajikistan, Uzbekistan
Low level: Nepal
ILO Core Labour Conventions: Azerbaijan, Georgia, Kazakhstan, Moldova and Tajikistan have ratified the ILO core conventions: Nepal and Uzbekistan have not ratified the ILO C 87 Convention on Freedom of association

BALTICS, SPAIN
Democracy level: Free: Estonia, Latvia, Lithuania, Spain
Corruption Index: Medium risk: Estonia, Latvia, Lithuania, Spain
Human Development Index: Very high level: Estonia, Latvia, Lithuania, Spain
ILO Core Labour Conventions: All countries have ratified the ILO Core Conventions

ASSOCIATED COMPANIES
Democracy level: Not free: Belarus, Russia
Partly free: Turkey, Ukraine
Corruption Index: Medium risk: Turkey
High risk: Belarus, Russia, Ukraine
Human Development Index: High level: Belarus, Russia, Turkey, Ukraine
ILO Core Labour Conventions: All countries have ratified the ILO Core Conventions

1 Democracy levels are rated by Freedom House and are available at www.freedomhouse.org
2 Corruption perception indexes are compiled by Transparency International and available at www.transparency.org.
Scores: 10–7 = low risk, 9–4 = medium risk, 4–1 = high risk
3 Human Development Indexes are compiled by UNDP and available at www.hdr.undp.org
4 ILO convention Ratifications are listed by ILO at www.ilo.org
Addressing ethical business practices

TeliaSonera’s vision is to be a world class service company and an industry leader. To achieve this, we must act responsibly. Our activities are based on a firm set of ethical business principles addressed in TeliaSonera’s Code of Ethics and Conduct (www.teliasonera.com/en/about-us/corporate-governance/code-of-ethics-and-conduct). According to this Code:

- Our relationships and communication shall be honest, fact-based and transparent within the bounds of commercial confidentiality.
- We advocate free and fair trade, striving for forthright competition and ethical conditions within the legal frameworks of the countries in which we operate.
- Our employees shall avoid any contacts that might lead to or suggest a conflict of interest between their personal activities and the business of TeliaSonera.
- In our operations worldwide, we do not pay or receive bribes or other illegal payments to obtain or retain business.
- We do not engage in the politics of the countries in which we operate, nor do we make political donations.
- We do not comment on politics or make political statements when representing our company. However, TeliaSonera does engage in dialogues regarding regulations that affect our business.

We follow compliance with this Code across TeliaSonera’s international operations. We also have an internal reporting mechanism that enables employees to report misconduct. In order to foster the implementation of the Code and deepen our employees’ understanding of what ethical business practices mean in practice we will develop a related e-learning tool for every TeliaSonera employee to use.

We also require that our suppliers and TeliaSonera’s purchasing organization comply with our Code of Ethics and Conduct in relation to ethical business practices. Compliance is mandatory for all suppliers governed by Group Procurement and whose annual sales to TeliaSonera exceed SEK 10,000.

During 2011 TeliaSonera was not involved in any legal actions related to anti-competitive behavior, antitrust, or monopoly practices.
## Stakeholder management

TeliaSonera interacts with many different stakeholders both globally and locally. One of the most important factors in stakeholder management for us is to create positive relationships with stakeholders through open dialogues, so as to manage their expectations and set agreed objectives as appropriate. Risks exist when there are inconsistencies between the group’s actions and the expectations of stakeholders. TeliaSonera strives to be responsive to stakeholders’ views and needs, and to maintain trust in the company.

### Teliasoneras’s Key Stakeholders and Engagement Tools:

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Customers</strong></td>
<td>Private, corporate and public sector customers.</td>
</tr>
<tr>
<td><strong>How we engage</strong></td>
<td>Customer experience and satisfaction measurements, trend report, customer care and service.</td>
</tr>
<tr>
<td><strong>Ambition</strong></td>
<td>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’ daily lives. Maintaining customer privacy is of utmost importance to TeliaSonera.</td>
</tr>
<tr>
<td><strong>Employees</strong></td>
<td>Managers, full- and part-time employees, potential employees, trade unions.</td>
</tr>
<tr>
<td><strong>How we engage</strong></td>
<td>Surveys resulting in employee commitment scores, employee branding, mid and full year reviews, European Works Council.</td>
</tr>
<tr>
<td><strong>Ambition</strong></td>
<td>TeliaSonera acknowledges that our employees are key to our success. Our aim is to be an attractive employer, and we strive to attract, develop and retain qualified and motivated people in a professional working environment.</td>
</tr>
<tr>
<td><strong>Media</strong></td>
<td>International and national media, social media, financial media.</td>
</tr>
<tr>
<td><strong>How we engage</strong></td>
<td>Press events, press releases, field trips, capital market days, annual general meetings, reporting.</td>
</tr>
<tr>
<td><strong>Ambition</strong></td>
<td>We act proactively to inform the media on relevant issues to ensure a thoughtful and correct image and perception of TeliaSonera. TeliaSonera’s communication with media will be honest, fact-based and transparent within the bounds of commercial confidentiality.</td>
</tr>
<tr>
<td><strong>Suppliers and business partners</strong></td>
<td>Existing suppliers, contractors, potential suppliers, business partners.</td>
</tr>
<tr>
<td><strong>How we engage</strong></td>
<td>Annual reviews, vendor management, contracts, audits, assessments and surveys.</td>
</tr>
<tr>
<td><strong>Ambition</strong></td>
<td>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.</td>
</tr>
<tr>
<td><strong>Authorities and civil society</strong></td>
<td>EU, national governments, regulatory bodies, industry organizations, NGOs.</td>
</tr>
<tr>
<td><strong>How we engage</strong></td>
<td>Regular dialogue and lobbying, reach-out initiatives and campaigns, NGO dialogue.</td>
</tr>
<tr>
<td><strong>Ambition</strong></td>
<td>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.</td>
</tr>
<tr>
<td><strong>Owners and investors</strong></td>
<td>Private, institutional, ethical and public investors, financial institutions, rating agencies, local joint venture partners.</td>
</tr>
<tr>
<td><strong>How we engage</strong></td>
<td>Reporting, annual general meetings, capital market days, SRI assessments, investor meetings, stakeholder surveys, dialogues, board meetings.</td>
</tr>
<tr>
<td><strong>Ambition</strong></td>
<td>TeliaSonera strives to be an attractive investment for a wide group of shareholders, and we aim to produce long-term, sustainable increases in shareholder value. We inform our shareholders and the market of all major developments that affect the valuation of the company promptly, simultaneously and transparently.</td>
</tr>
</tbody>
</table>
Understanding stakeholders needs
During 2011 TeliaSonera continued to maintain pro-active stakeholder dialogues. Interactions particularly focused on the corporate responsibility issues identified as most important in our 2009 stakeholder materiality analysis. The most important topics for our stakeholders are:

- The TeliaSonera Code of Ethics and Conduct, and how the company addresses related issues in our Eurasia region
- Human and labor rights, with an emphasis on privacy and network integrity
- How we assure a responsible supply chain management
- How we address our own environmental impact and how we can help other sectors to minimize theirs
- How corporate responsibility risks are evaluated in investment decisions

TeliaSonera’s dialogues with external stakeholders during 2011 have involved customers, owners and investors, socially responsible investment (SRI) rating agencies, ICT and telecom peers, NGOs, the authorities and regulatory bodies. During the year we also measured satisfaction levels among our employees and customers through an employee commitment survey (see Our experiences we have gained from this involvement have helped us shape our strategy for addressing relevant issues jointly with our peers in a multi-stakeholder context.

Other important contacts with stakeholders during 2011 included:

- Participation in the EU CEO Coalition’s initiative to make the internet a better place for children, and commitment to join the forthcoming parallel scheme to define Principles for Safer Use of Connected Devices and Online Services by Children and Young People in the EU (see TeliaSonera in society).
- Participation in an industry dialogue on Freedom of Expression and Privacy. TeliaSonera and several other telecommunication operators and vendors initiated this dialogue focusing on how the telecommunication sector should address issues related to freedom of expression and privacy (see Responsiblity in the market place).
- Active participation in dialogues covering issues of interest, including: “Democracy? – ICT as a catalyst in democratic processes”, a human rights seminar arranged by the Swedish Development Agency SIDA; the Internet Days event in Sweden and a seminar on New Issues of Freedom of Expression.

Collaboration within the ICT sector
TeliaSonera partners with other businesses and organizations to exchange ideas and promote our sustainability goals. We are members of a number of organizations that aim to influence public policy on corporate responsibility. We are, for example, involved in the International Telecommunication Union’s work on issues regarding emergency communications (detection, alerting and protection), as well as schemes examining protection from electromagnetic fields (EMF) and environmental and safety issues.

TeliaSonera is also an active member of several telecommunications industry organizations:

- Within the Group Speciale de Mobile Association (GSMA) Europe, TeliaSonera chairs the Regulatory Working Group. In 2011 our CEO was elected as a member of the Board of the Global GSM Association.
- We participate in the European Telecommunications Network Operator’s Association (ETNO) working groups on Regulatory Policy, Frequencies, Content Issues, Data Protection and Sustainability. ETNO’s Sustainability Working Group addresses issues including conflict minerals, cooling and backup power benchmarks, and EU codes of conduct related to data centers and broadband equipment.
- Through TeliaSonera’s memberships in ETNO and GSMA, we participate in the work of the Global e-sustainability initiative (GeSi), in which ICT sector collaboration aims to define new approaches and standards on issues such as energy efficiency.
- TeliaSonera has also been a member of Working Group of the Information and Communications Technology for Energy Efficiency (ICT4EE) scheme.
- TeliaSonera has maintained contacts with the Global Network Initiative on human rights, freedom of expression and privacy issues on the internet. The experiences we have gained from this involvement have helped us shape our strategy for addressing relevant issues jointly with our peers in a multi-stakeholder context.
- We are also a member of the Business for Social Responsibility (BSR) network, and have taken part in analyses and exchanges of information connected with the UN Guiding Principles on Business and Human Rights.

In addition TeliaSonera participates in local sustainability networks in most of the regions where we are working, often as a founding member or a board member. The themes addressed by these local bodies vary considerably, depending on the local topicality of sustainability issues.

Attracting responsible investors
TeliaSonera strives to balance strong financial results with long-term sustainable value creation, and to be an attractive investment. At year end 2011 TeliaSonera had 580,076 shareholders, primarily in Sweden and Finland. Shareholdings outside these two countries was 18.2 percent of all shares. With their respective shareholdings of 37.3 percent and 13.7 percent, the Swedish and Finnish States are the largest shareholders in TeliaSonera. Other influential shareholders include a number of major institutional investors and funds.
An increasing interest in sustainability is reflected in the growing share of TeliaSonera’s investors who have signed the United Nations Principles for Responsible Investments (PRI). This UN initiative aims to gather investors who are committed to integrate Environmental, Social and Governance (ESG) issues into their investment decisions, so as to promote the consideration of these issues within the financial community, and increase the transparency of portfolio companies. At the end of 2011 approximately 20 percent of the shares in TeliaSonera were held by PRI signatories, corresponding to around 42 percent of the free float (excluding Swedish and Finnish State ownership). The states cannot be signatories to PRI.

This represents a significant increase compared to the corresponding 2010 figures, indicating that investors are becoming increasingly committed to PRI, and that our CR management policies meet their requirements.

**SHARE OF TELIASONERA INVESTORS COMMITTED TO THE UN PRINCIPLES FOR RESPONSIBLE INVESTMENTS**

<table>
<thead>
<tr>
<th>%</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>60</td>
<td>40</td>
<td>20</td>
<td>0</td>
</tr>
</tbody>
</table>

1 The Swedish and Finnish States’ ownership has been excluded as countries cannot be signatories to PRI.

Both the Finnish and Swedish States prioritize corporate responsibility issues, and increasingly exercise their ownership influence in such contexts. State-owned companies must clearly ensure the well-being of their employees and show environmental responsibility. The Finnish and Swedish States both encourage companies to report on their corporate responsibility performance.

**Corporate responsibility indexes and recognitions**

CR indexes are important tools for investors, analysts and companies themselves to benchmark corporate responsibility management and performance. They can give us valuable information on any areas where we still need to make improvements, while also identifying best practices. Inclusion in sustainability indexes can also promote interest in the company among responsible investors.

In 2011 TeliaSonera continued to be included in the following indexes:

- **Carbon Disclosure Project (www.cdproject.net)**
  TeliaSonera has been participating in this global investor initiative since 2004. In 2011 CDP’s Global500 TeliaSonera was ranked as 10 within the telecommunications sector globally. The CDP initiative evaluates companies’ environmental performance and assesses how well they address risks and opportunities related to climate change.

- **FTSE4Good (www.ftse.com)**
  TeliaSonera has been included in this index since 2009. FTSE4Good analyses focus on CR practices related to human rights, labor rights and corruption.

- **Folksam Index for Corporate Responsibility 2011 (www.folksam.se)**
  Folksam, one of Sweden’s largest insurance companies, assesses 245 Swedish companies’ work on human rights and environmental issues. TeliaSonera ranked 19 in the ratings’ environmental section and 13 on human rights. Highest in telecom sector.

- **OMX GES Sustainability Sweden, Sustainability Sweden Ethical, and Sustainability Nordic (www.ges-invest.com)**
  OMX GES indexes are based on research conducted by GES Investment Services and have been developed together with OMX. They focus on companies’ environmental, social and/or governance management performance. In 2011 the TeliaSonera share qualified for inclusion in these three indexes.

TeliaSonera has been included in the Global 100 – Most Sustainable Corporations in the World ranking for 2012 done by the Corporate Knights magazine. These rankings announced at the World Economic Forum in Davos, aim to highlight the global corporations which have been most proactive in managing environmental, social and governance (ESG) issues. The Global 100 are selected from 4,000 corporations worldwide (www.global100.org).

Newsweek’s annual Green Rankings for 2011 also included companies locating outside US. TeliaSonera was ranked 109 out of 500 companies.

In April 2011, TEO in Lithuania received an award for being the most sustainable company in Lithuania, employer of the year and environmental company for 2010. The award was granted by the Association of Lithuania Nonprofit Organisations.

In Sweden Telia was listed 40 out of 150 companies in the ranking of sustainable brands and the most sustainable brand in the national telecoms sector. The ranking was compiled by Relation, Capital Partner and International Development Group and Novus.
Corporate responsibility along our supply chain

TeliaSonera’s annual purchasing volume is around SEK 50 billion. The majority of these purchases, in terms of volume and capital, concern infrastructural equipment related to the building, development and maintenance of our fixed and mobile networks and IT infrastructure. In addition we purchase mobile handsets and other consumer electronic devices, as well as electricity and services such as travel.

TeliaSonera’s Group Procurement is organizationally positioned under the Chief Financial Officer (CFO). Group Procurement is headed by the Chief Procurement Officer (CPO). TeliaSonera Group Procurement is responsible for procurement in the Nordic, Baltic countries and Spain. Group Procurement is also involved in majority-owned operations in Kazakhstan, Azerbaijan, Uzbekistan, Tajikistan, Georgia, Moldova and Nepal. The focus in these countries is on infrastructure procurement. In 2011 a revision of the Group Procurement organization was roll-outed aiming to further centralize purchasing activities in order to increase the purchasing power of the group as a whole. This process aims to minimize the total cost of purchased goods and services, develop a coherent procurement function covering the whole of TeliaSonera, and thus strengthen our own capabilities.

TeliaSonera is a pioneer within the telecom industry and we want to be recognized as an industry leader. We therefore select suppliers who are reliable, high performance organizations with spearhead technical knowledge in order to build up our capacity to deliver world-class service.

The majority of TeliaSonera’s purchases are from large global companies that have well established corporate responsibility management systems of their own in place. Like us, these companies are committed to follow internationally recognized environmental and social responsibility commitments throughout their work.

In all of our significant locations, in Sweden, Finland, the Baltic countries and Eurasia, a significant share of TeliaSonera’s procurements are obtained from local suppliers, and this contributes to local economic development.

Ensuring the environmental and social acceptability of our supply chain

For any big company with high purchasing volumes, managing corporate responsibility along the supply chain represents both a major challenge, and a risk that needs to be mitigated. TeliaSonera evaluates and selects its suppliers according to specific criteria concerning quality, price, functionality, availability, delivery, reliability, service and corporate responsibility requirements. Our Supplier Code defines basic corporate responsibility requirements, and we also communicate additional environmental quality requirements to our product suppliers and contractors.

The most important corporate responsibility issues related to our supply chain are as follows:
• Our suppliers and contractors should fully observe human rights and labor rights as defined in the United Nations Human Rights Declaration and ILO core conventions.
• Our suppliers and contractors should follow good occupational health and safety practices.
• Our suppliers and contractors should follow good environmental management practices.
• Suppliers’ and contractors’ equipment should comply with the EU advisory recommendation 1999/519/EC, associated ICNIRP guidelines, and the WHO and UN global health recommendations as set out in WHO’s fact sheet 193 (2000), regarding electromagnetic fields and public health in relation to mobile phones and their base stations.
• Our suppliers and TeliaSonera’s purchasing organization should comply with our Code of Ethics and Conduct in relation to ethical business practices.

In order to manage corporate responsibility along our supply chain TeliaSonera introduced a new Supplier Code in 2010. This code sets out basic social and environmental requirements for our suppliers, and is mandatory for all suppliers governed by Group Procurement and whose sales to TeliaSonera exceed SEK 10,000. The code defines the conduct we expect from our suppliers in relation to protecting human and labor rights, promoting occupational health and safety, environmental management, and ethical business
practices. We expect this commitment to additionally cover all sub-suppliers and subcontractors who contribute to work done for TeliaSonera. Our suppliers must be prepared to supply information about how they comply with TeliaSonera’s corporate responsibility requirements and allow us or a third party authorized by TeliaSonera to conduct an audit of their own or their contractors’ operations with regard to the observance of these requirements. Non-compliance with these requirements may lead to a termination of the respective contract.

Additional environmental quality requirements imposed on product suppliers and contractors cover issues such as:

- The management of eco-efficiency, energy efficiency and recyclability in product design, including packaging
- Measures taken to organize the reuse, recycling and take-back of products and related materials
- The prohibition of certain hazardous materials including substances specified on TeliaSonera’s Grey List and Black List.

Monitoring compliance

In 2011 our Group Procurement function was assigned to increase the proportion of contracts covered by our Supplier Code from the 2010 level of 80 percent. By the end of the year the Supplier Code was successfully incorporated into 85 percent of all contracts.

One important corporate responsibility issue related to our contractors concerns ensuring the health and safety of field personnel involved in the installation, operation and maintenance of infrastructure such as masts, base stations and cables. This 2011 report is the first to contain compiled data from our contractors on rates of injury, lost days, and the total number of work-related fatalities. For more information see Occupational health and safety.

In 2012 we will improve the way we monitor our suppliers’ compliance with our requirements. We will revise our Supplier Code to make it more user-friendly and clarify our corporate responsibility requirements. We will also improve our procedures for monitoring mainstream suppliers and risk suppliers, and for the management of non-compliance.
Our employees make it happen

Human Resources (HR) work within TeliaSonera support the development of our people, organization and culture. Our aim is to realize TeliaSonera’s vision, to be recognized as a world-class service company. The following strategic actions form the basis of our HR activities:

Proactive workforce and competence planning
One key success factor for TeliaSonera in an increasingly competitive business landscape is to ensure that we have a proactive workforce whose skills are reinforced through robust competence planning processes that ensure we have the right competencies in the right places, at the right time and at the right cost.

This involves proactively identifying future competence requirements, monitoring our current competencies and analyzing potential gaps. Effective workforce planning enables improvements in short- and long-term recruitment strategies, succession planning, learning and human resource development.

During 2011 we implemented the first phase of a competence shift planned for our Broadband Services and Business Services business areas in Sweden. This involved a recruitment campaign covering approximately 100 positions in areas crucial for our future business success. The campaign focused on competencies within telecom, unified communication, IP, solutions and IT and was run as an employer branding activity using broad media to attract attention and curiosity.

Eurasia Mobile Pool Development Center
Our strategy aiming for rapid growth and expansion in the Eurasia region makes it essential for us to proactively identify, assess, develop and utilize our internal mobile talent for key roles in the future.

After initially identifying critical management team roles in our business units, 50 recommended managers underwent leadership potential measurement, self-spotlighting and panel interviews with members of TeliaSonera’s top management during 2010 and 2011. They were given constructive feedback to apply in preparing and executing their individual development plans in line with their career aspirations. Development activities were executed with support from local HR, business unit leaders and related line managers. Identified talents are given priority in the recruitment for TeliaSonera leadership programs, and also supported by an executive coaching pool. Other development activities such as mentorship, international assignments and project leaderships are also offered to our talents.

So far, development actions have been decided for half of these talents. Seven have been promoted to next level positions; three are currently on long-term international assignments; four are on short-term international assignments; six are taking part in project assignments; one is acting as a mentor to a newly appointed director; one has been trained as a TeliaSonera trainer; and one is on rotation on a cross-functional assignment.

The first phase of this process will be concluded with follow-up discussions focusing on the development activities that have been executed so far, and a coaching session in early 2012 designed to manage the expectations of our talents.

Increasing efficiency and operational excellence
Two of our focus areas, quality in networks and cost efficiency, help us to continuously focus on improving and streamlining our operations. We strive to provide suitable HR toolkits and processes to support leaders in their work to build up our operational excellence. Our leaders particularly require support in managing changes and re-organizations designed to enhance efficiency.

Identifying best practices and sharing them between our business units can also deliver positive results both globally and locally.

In January 2011 our Mobility Services and Broadband Services business areas adopted a common multi-market organizational and operational platform to take advantage of synergies and enhance cross-border efficiency.

Management Capabilities
We aim to ensure that TeliaSonera can attract, recruit, develop and retain leaders and specialists who can make us into a truly world-class service provider.

To make this vision a reality, we must build up a culture aspiring to high performance. This in turn will encourage learning, personal development and innovation. It is crucial to have leadership practices in place that provide direction and increase job satisfaction and motivation, resulting in improved performance.
Governance

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 issues are well integrated into the wider management agenda. Each business area has its own designated HR Vice President, who plays a strategic and operational role in supporting the integration of employee issues into business planning.

TeliaSonera delivers HR support through three main channels:

- Centers of expertise at group level, which provide support on issues including compensation and benefit, management and organizational development, process and IT alignment
- Country service organizations, which deliver end-user support, HR administration, and country-specific expertise in areas such as labor relations and health and safety
- HR resources within line organizations (HR Business Partners and HR Managers)

TeliaSonera workforce

TeliaSonera has 28,412 employees in 30 countries. Around 46 percent are located in Sweden and Finland. TeliaSonera particularly aims to expand in the Eurasia region, where around 17 percent of our employees are already based. Broadband Services is the business area with the largest number of employees, accounting for over 47 percent of our total workforce.

In terms of age structure there are considerable differences across the group. Overall, 29 percent of our workforce are under 30 years old, 52 percent are between 31 and 50, and 19 percent are over 51 years old. In Eurasia the figures show a quite different picture, with 56 percent under 30, 41 percent aged between 31 and 50, and just 2 percent over 51.

Employee turnover measures the number of employees that have voluntarily left the company during a specified period. Annual turnover figures in the region of 5 percent can be considered healthy in mature markets. Turnover rates vary considerably between countries and units.
Diversity and equal opportunities

TeliaSonera’s Code of Ethics and Conduct states that all employees must be treated fairly and equally. We aim to create a work environment where people are respected regardless of individual differences, talents or personal characteristics. No employee or candidate may be discriminated against or harassed due to their age, race, gender, religion, handicap, nationality, sexual orientation, marital or parental status, or political opinions. In 2011 we didn’t have any reported discrimination cases in TeliaSonera.

Most operations within the TeliaSonera Group have HR policies in place that do not allow for any form of discrimination, also covering recruitment processes.

Female employees account for 44 percent of TeliaSonera’s total workforce, 27 percent of board members (3/11), and 30 percent of the Group Management Team (3/10).

<table>
<thead>
<tr>
<th>LA13 – NUMBER OF MANAGERS BY GENDER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec 31</td>
</tr>
<tr>
<td>Female</td>
</tr>
<tr>
<td>Male</td>
</tr>
<tr>
<td>Number of managers</td>
</tr>
</tbody>
</table>

Labor practices

TeliaSonera is committed to comply with the UN Declaration on Human Rights and the core conventions of the International Labor Organization. We also comply with national labor laws wherever we operate.

As stated in our Code, TeliaSonera employees have right to choose whether or not to be represented by a trade union for the purpose of collective bargaining. No employee shall be discriminated for exercising these rights. All employees should be aware of the basic terms and conditions of their employment. TeliaSonera respects forms of cooperation with legitimate employee representatives and national labor unions. Through Telia Sonera’s European Works Council (EWC) we maintain an active relationship with the employee representatives of our subsidiaries and affiliated companies in the Member States of the European Union. The EWC holds four meetings each year in which members of the executive management team join in for discussions and for sharing information.

In all of TeliaSonera’s operations entry level wages are well above the local minimum wages. In countries in our Baltic and Eurasian regions entry level wages are 2–8 times higher than the local minimum wage. In most of the Nordic countries wages are defined in collective agreements. Collective bargaining agreements cover 75 percent of our total workforce.

Notice periods vary between different countries, and are regulated either by law, collective agreement or personal contracts. Statutory notice periods may be as short as two weeks or as long as six months. In most countries the minimum notice period is at least one month. In some countries including Sweden and Finland we offer longer notice periods or better exit packages than those defined in legislation or collective agreements.

<table>
<thead>
<tr>
<th>LA4 – PERCENTAGE OF EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>By country, Dec 31</td>
</tr>
<tr>
<td>Sweden</td>
</tr>
<tr>
<td>Finland</td>
</tr>
<tr>
<td>Norway</td>
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<tr>
<td>Denmark</td>
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<td>Estonia</td>
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<td>Lithuania</td>
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<tr>
<td>Spain</td>
</tr>
<tr>
<td>Nepal</td>
</tr>
<tr>
<td>Uzbekistan</td>
</tr>
<tr>
<td>Tajikistan</td>
</tr>
<tr>
<td>Other countries</td>
</tr>
<tr>
<td>Reported entities’ share of TeliaSonera total, %</td>
</tr>
</tbody>
</table>

Internal and external recruitment

TeliaSonera has a global recruitment policy that covers the whole Group. Our recruitment policy is based on equal opportunities and prohibits any kind of discrimination. In all of our operations at least half of the management are from the country concerned.

TeliaSonera’s Group-wide Job Portal is available both on our intranet and external websites. We intend to implement the portal in all our majority-owned companies and until today we have implemented it in half of the companies. Employees in all business areas have equal opportunities to apply for positions where their competence profile meets the stated requirements.

Career development and performance management

TeliaSonera actively creates conditions for careers and development opportunities for leaders and employees. Professional leadership is the key to motivating and steering our teams to deliver innovative customer-friendly solutions.

In 2009 TeliaSonera introduced a Group-wide performance management process that currently applies to senior and middle-level managers and specialists across the whole group. During 2011 this process involved 1,018 managers and 195 specialists. The process translates TeliaSonera’s business objectives into action, and is designed to:

- Help managers define and cascade strategic business objectives
- Review and provide constructive feedback on individuals’ performance
- Develop people and reward performance
Regular performance and career development reviews are in place in most of our countries. They are conducted according to local standards and agreements. TeliaSonera’s interpretation of performance is not limited to what people achieve, but also how they achieve their objectives, in terms of the competencies, values and behaviors they apply.

We practice “consequence management”, which involves rewarding good performance and addressing poor performance by providing constructive and caring feedback.

Training and skills development

As a responsible employer TeliaSonera supports individual employees’ competence development. We organize a variety of activities and programs designed to develop employees’ competence, including various kinds of training. Employees can discuss their needs related to competence development with their managers during their annual performance appraisal meetings.

To remain in the forefront of technical development and innovation, TeliaSonera has constantly been developing and undergoing competency shifts. As a result, there is an established tradition of life-long learning among our employees. Today, most of our newly recruited employees are graduates. This is the result of a purposeful policy to increase the educational levels of our staff through recruitment as well as training and development. Competency development today is increasingly about shifts to new technologies.

TeliaSonera has a history of growth through mergers and acquisitions, and our future will certainly involve cross-border solutions. This necessitates an awareness of how to operate in an international environment. We have invested in tailored e-learning solutions designed to help our managers and employees to improve their language skills, specifically in English, which is our corporate language.

In a rapidly changing business environment, it is essential that innovative and profitable solutions are reached through sound judgment. For this reason we have invested in the development of our specialists’ and leaders’ business acumen skills. We also strive to enhance competencies that specifically strengthen our business capabilities. Examples of such training schemes include:

**IT/IP Business Program**
This group-wide development program targets talented individuals who are expected to be at the forefront of the future development of TeliaSonera’s innovation capabilities and growth. Two programs were run during 2011, with a total of 60 participants.

The program aims to give TeliaSonera a unique competitive edge by enhancing the ability of key personnel to understand customers’ businesses and identify how our products and services can be used to improve them. Participants come from various parts of the group, mirroring the wide diversity of TeliaSonera’s staff and helping to create an international awareness, strengthen our cross-cultural skills and create a valuable internal network.

**Business Acumen Program**
This program aims to help TeliaSonera’s managers and specialists better understand important business challenges, thus providing a basis for sound judgments and decisions. Business Acumen involves an almost intuitive practical understanding of how a company can succeed by giving customers value, and an ability to see the big picture.

Two programs were held during 2011, and a total of 48 specialists from various parts of the group participated.

**Coaching for Performance**
This program aims to develop a culture of high performance within TeliaSonera by giving managers practical tools and training that enhance their capability to coach individuals and develop talents.

The program targets middle managers. During 2011, five programs were carried out with a total of 73 participants, in cooperation with an international experiential learning specialist. To further improve leadership skills, we focus on improving participants’ English skills and extending our internal network by delivering an international program run by native speakers from the UK.

**Leading and Managing Change**
The demand for leaders and managers who can deal with change, ambiguity and fragmentation is increasing within TeliaSonera. Our growth ambitions, our aim to be an international player, and wider demographic changes all add to this challenge.

These programs target middle managers. They apply an experiential learning approach, where participants are challenged through specially chosen projects designed to challenge their capability to lead change and cope with ambiguity.

During 2011 we ran five successful programs with a total of 76 participants.
**Essentials of Management**
This program is a group-wide initiative that targets newly appointed first line managers, providing them with practical knowledge and essential tools to carry out their daily operations successfully.

During 2011 the program was run in 13 countries, with approximately 300 participants in all. Since the program started in 2009 more than 600 managers have participated. The program has been very well received according to evaluations.

**Employee Commitment Score**
In 2011 TeliaSonera conducted a major bi-annual Employee Commitment Score (ECS) survey in order to assess our employees’ perceptions of our values, business and relationships, and on our ability to make things happen. In the survey employees were able to respond anonymously. Similar surveys have regularly been carried out, most recently in 2009.

The results included a record high overall score for employee commitment of 74 out of maximum possible 100. This compares very favorably with the score of 57 obtained in a similar survey run in 2007. Compared with benchmark, the low in class index ends up on 64 and the best in class on 81. Results also indicated progress on almost all of the issues surveyed. The response rate of 85 percent was also the best ever. This high level of participation enables us to utilize the survey results as a basis for strategic decisions and operative improvements.

Business area Mobility Services score increased to 72 and business area Eurasia achieved the high score of 86. Broadband Services scored 69, Business Services 67, and Group Functions 66.

Each business area has subsequently decided what kind of actions need to be taken in response to these findings, particularly in the context of local communications.

In order to become a world-class service provider, we need involved and committed employees as well as leadership able to point us in the right directions. This total Employee Commitment Score of 74 shows that we are on the right track.

---

**Employee Commitment Score (ECS)**

<table>
<thead>
<tr>
<th></th>
<th>TeliaSonera total</th>
<th>Best in Class¹, 81%</th>
<th>Low in Class¹, 64%</th>
</tr>
</thead>
<tbody>
<tr>
<td>65</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>70</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>75</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>80</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>85</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

¹ Source: TNS Sifo, IT-telecom studies 2008–2010
TeliaSonera’s Code of Ethics and Conduct forms the basis for our corporate responsibility management. This policy also establishes our main principles for TeliaSonera’s Occupational Health and Safety (OHS) work. According to the Code, TeliaSonera aims to provide and constantly improve a safe and healthy workplace by ensuring safety in work processes, by preventing and reacting to conditions of ill health, and by supporting measures to promote health and well-being. We are also committed to providing our employees with a drug-free workplace, and we will not tolerate any form of violence, abusive language or bullying.

TeliaSonera’s management has ultimate responsibility for occupational safety. In practice our OHS work is generally based on local rules and conditions concerning physical, psychological and social health in the workplace. We aim to make health and safety culture and services an integral part of TeliaSonera’s employees’ everyday work. Our employees also have a personal responsibility for their own health and a duty to contribute to a good working environment.

TeliaSonera’s employees are mostly office workers, so our OHS issues are mainly related to mental well-being at work and working conditions in office settings. In addition to make ergonomic improvements, we actively emphasize the vital role that recreational activities (including sports and physical exercise) that can play in on the personal health and preventive health care.

Where field workers and maintenance personnel are concerned, the most important OHS issues are related to physical safety. Such work is mostly done by contractors, so it is important to ensure that appropriate OHS instructions are communicated to field workers.

TeliaSonera also recognize and respond on the concern related to the potential health effects of mobile phones and masts. Our commitment to fair and transparent practices with regard to electromagnetic fields (EMF) is clearly stated in our Code of Ethics and Conduct. See the Society section of this report for more information.

TeliaSonera also strives to create and sustain working conditions that promote a healthy work-life balance. We offer employees opportunities to work part-time, work flexitime, go into part-time retirement, and if possible also work remotely from home. Many of our operations encourage employees to participate in healthy recreational activities by subsidizing their costs.

Throughout our operations we comply with local legislation and collective agreements, and take proactive measures to promote a safe and healthy workplace.

Most of our employees in the Nordic and Baltic countries are covered by special agreements with external health care providers. In most operations in our Eurasian region employees are provided with health and accident insurance. In Azerbaijan, Georgia, Kazakhstan and Moldova health insurance is also provided for employees’ family members. Most of our operations also promote sports club membership and sports activities.
OHS Committees

In the Nordic countries, Estonia and Nepal, all employees are represented in formal joint management-worker health and safety committees. Such committees cover 64 percent of our employees in all. In our Eurasian region practices vary between countries: some have committees and units monitoring legal actions and OHS requirements, while others have special functions for handling and issuing advice on OHS issues.

During 2011 a new Health, Safety and Well-being Plan (and related measurements) were launched in Nepal. This work provide training designed to promote the health and safety of employees, cover issues as safe driving and traffic rules, first aid and fire safety. Safety teams are also being formed and provided with special training on first aid and fire safety.

TeliaSonera’s OHS performance

In this report we only report OHS indicators only for the year 2011 as the data from previous years is not comparable. We see a positive development in our OHS data reporting and data consolidation, but need to continue to improve our data collection system and the reliability of the data.

<table>
<thead>
<tr>
<th>LA 7 - OHS INDICATORS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Own employees</strong></td>
</tr>
<tr>
<td>Injury rate(^1)</td>
</tr>
<tr>
<td>Lost day rate related to injuries(^2)</td>
</tr>
<tr>
<td>Number of fatal accidents</td>
</tr>
<tr>
<td><strong>Contractors</strong></td>
</tr>
<tr>
<td>Injury rate(^1)</td>
</tr>
<tr>
<td>Lost day rate related to injuries(^2)</td>
</tr>
<tr>
<td>Number of fatal accidents</td>
</tr>
</tbody>
</table>

\(^1\) Total number of of injuries divided by total hours worked (40 hours * 50 weeks) multiplied with 200,000.
\(^2\) Total number of days divided by total hours (40 hours * 50 weeks) worked multiplied with 200,000.

Contractors and OHS

The safety of all field workers and maintenance personnel is a vital issue for us. Our revised Supplier Code will put more emphasis on OHS issues. Suppliers operating within TeliaSonera’s sphere of responsibility, including those working inside our premises or doing construction or maintenance work for TeliaSonera are covered by the following requirements:

- Suppliers must assign responsibility for OHS issues within their organizations.
- Suppliers must ensure that written OHS instructions have been communicated to all employees.
- Suppliers must document all accidents in their contractors’ operations and communicate them to TeliaSonera.

Most field work is outsourced. Employees involved in fieldwork should receive training in health and safety, and be provided with safety equipment and regular check-ups. Field workers should also receive other support including additional training and any statutory benefits.

The policy covering health and safety control procedures in our Eurasian region operations requires a management system that ensures that significant risks are identified, assessed and controlled through effective standards. These standards are defined in the regional Code of Health & Safety. Azercell’s Health and Safety management system is in accordance with the ISO9001:2000 standard.

2011 was the first year for which we have collected data on OHS indicators from our contractors for the purposes of reporting. Around 75 percent of the injuries were reported from Finland and Sweden. We need to further improve our data collection system to increase the reliability of the data.

Collaboration in Finland

TeliaSonera Finland has been a forerunner in Finland when it comes to addressing OHS issues related to contractors. In collaboration with the national telecommunications sector, our competitors and our own contractors, TeliaSonera Finland has launched an OHS network whose role is to develop a joint OHS policy and set common OHS practices for field work locations. These practices include OHS instructions for work carried out on masts, roofs, walls, racks and ladders, as well as safety instructions related to electromagnetic fields.

The most common accident types among contracted labor have been traffic accidents, injuries related to stumbling, sprains and bruising. Accidents of the most severe types have been avoided thanks to pro-active OHS training, the compulsory use of protective equipment, and clear safety instructions. The cooperation through the new network is an initiative that provides a concrete example how different stakeholders can together show responsibility and work for the common good on health and safety issues.
TeliaSonera’s environmental impact and performance

Our customers demand 24/7 mobile and internet connectivity, and even when using cutting edge technology the energy consumption required to meet this demand and run our own operations makes up the greatest part of our calculated carbon footprint today. One of our permanent priorities is therefore to continuously seek out more energy-efficient solutions for our networks and data centers.

Our indirect positive environmental impacts include the various ways customers can use our services to reduce their own carbon dioxide (CO₂) emissions, ranging from reducing travels to optimizing their business processes in various ways.

TeliaSonera’s own operations also generate wastes of various kinds, including hazardous wastes, electronic equipment, devices and cables from our networks, and wastes from offices. Technology shifts currently represent a considerable challenge in terms of waste management, particularly in relation to electronics waste, the handling of impregnated telephone poles and the recycling of cables. To minimize waste, we test equipment that is no longer needed in certain parts of our networks, especially in mobility in the Nordic and Baltic, and consider ways to re-use it elsewhere in our operations.

Other indirect environmental impacts related to our value chain include activities such as outsourced maintenance work and the manufacturing of our own and our customer’s equipment, as well as the end-of-life treatment of these products. Reporting of these indirect impacts, which are known as upstream and downstream activities, has now been more standardized. We expect that our overall understanding of all of these impacts is likely to further increase in the future.

Climate change and the ICT industry

It is estimated that between 2.5 and 4 percent of all carbon emissions across the EU originate from ICT equipment and services, while the ICT sector accounts for approximately 8 percent of the EU’s total electricity consumption. This means we must continuously intensify our efforts to minimize our impacts. At the same time the key role of our sector in enabling a low-carbon economy is widely recognized.

The EU Commission encourages active participation from the ICT sector. This means we will certainly need to continue taking concrete actions both to mitigate our own sector’s environmental impact and to enable other sectors to minimize theirs.

TeliaSonera has been a member of Working Group 1 of the Information and Communications Technology for Energy Efficiency (ICT4EE) scheme which was set up to create common methodologies to calculate CO₂ emissions within the industry. In a related development in November 2011, TeliaSonera volunteered to pilot different methodologies in a joint-pilot under the “ICT for Development” initiative by the European Commission.

The EU has launched several energy efficiency initiatives, directives and projects, and also issued recommendations, such as, voluntary codes of conduct. TeliaSonera signed the voluntary EU Code of Conduct on the Energy Consumption of Broadband Equipment in 2008.

Environmental work within the Group

Minimizing the environmental impacts of our own operations makes sense both environmentally and economically. We aim to reduce our impact by being energy efficient, by choosing telecommunication solutions instead of travel, and by managing wastes responsibly.

In 2011, we started working towards establishing group level environmental targets. Work has involved a wide-ranging internal dialogue and we expect to conclude targets during 2012.

During 2011 our local operations continued to improve their environmental performance. TeliaSonera companies in the Nordic and Baltic regions are often regarded as leaders on the environmental front, including energy efficiency. In Sweden, main parts of our operations have now been certified under ISO 14001 Environmental Management standard for a decade, including annual targets for energy-efficiency, for instance. In Lithuania, TEO has been working actively over the past three years to increase environmental awareness both inside and outside the company through a project named “Save Resources change yourself”. In conjunction with this project, TEO aims to reduce its own CO₂ emissions by 40 percent by 2020.

In spring 2011 TEO was recognized as the Environmental company of the year for 2010. Netcom in Norway has also set local CO₂ emission targets to be achieved by 2014. These local initiatives will all support progress towards the forthcoming group targets.
Teliasonera’s carbon dioxide (CO₂) emissions in 2011

Teliasonera’s reported CO₂ emissions for 2011 amounted to 222,154 metric tons CO₂ (197,980) for scope 1 and scope 2 as defined in the GHG Protocol. The share of the Nordic region in this total was estimated to be 32 percent in 2011, whereas our Eurasian region accounted for 21 percent. Most of these emissions stem from electricity use, heating, car fleets and the use of back-up fuels to run networks during electricity outages.

Our partial reporting for scope 3 totalled 38,078 metric tons (36,023). The Nordic region accounted for some 80 percent of this total for scope 3 (EN17) due to the size of our business in this region and the outsourcing of network maintenance. Approximately 36 percent of the Nordic region’s scope 3 emissions originate from business travel, which increased by 15 percent in 2011. Air travel accounted for an estimated 4 percent of Teliasonera’s total reported carbon footprint in 2011.

EN16 – (SCOPE 1 AND 2) TOTAL DIRECT AND INDIRECT GREENHOUSE GAS EMISSIONS BY WEIGHT, METRIC TONS CO₂

<table>
<thead>
<tr>
<th>Region</th>
<th>2011</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nordic</td>
<td>3,136</td>
<td>3,889</td>
<td>3,945</td>
</tr>
<tr>
<td>Baltic</td>
<td>5,024</td>
<td>5,446</td>
<td>5,901</td>
</tr>
<tr>
<td>Eurasia</td>
<td>30,519</td>
<td>10,470</td>
<td>8,943</td>
</tr>
<tr>
<td>Other</td>
<td>691</td>
<td>128</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total direct emissions, metric tons CO₂</strong></td>
<td><strong>39,370</strong></td>
<td><strong>19,933</strong></td>
<td><strong>18,789</strong></td>
</tr>
</tbody>
</table>

Indirect emissions

<table>
<thead>
<tr>
<th>Region</th>
<th>2011</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nordic</td>
<td>55,036</td>
<td>58,643</td>
<td>77,822</td>
</tr>
<tr>
<td>Baltic</td>
<td>50,055</td>
<td>52,697</td>
<td>46,754</td>
</tr>
<tr>
<td>Eurasia</td>
<td>43,747</td>
<td>30,590</td>
<td>14,731</td>
</tr>
<tr>
<td>Other</td>
<td>33,446</td>
<td>36,118</td>
<td>28,989</td>
</tr>
<tr>
<td><strong>Total indirect emissions, metric tons CO₂</strong></td>
<td><strong>182,784</strong></td>
<td><strong>178,047</strong></td>
<td><strong>168,296</strong></td>
</tr>
</tbody>
</table>

* + Total metric tons CO₂ saved 7 | 45,571 | 46,179 | 25,192 |

**Total direct and indirect greenhouse gases emissions, metric tons CO₂** | **222,154** | **197,980** | **187,085** |

1 The main reason for the decline was reduced fuel consumption levels in cars.
3 Yoigo in Spain reporting for the first time in 2010.
4 Partial information only, as data only for Elion in Estonia and Omnitel in Lithuania. Restated data for emission factors.
5 Partial information only. Data contains information from Omnitel in Lithuania and Elion in Estonia. Elion’s figures extrapolated from 2009 for 2010 and 2011.
6 Only very partial information, not comparable to previous years. Extended scope in business travels from Geocell; Azercell reported for the first time. Outsourced information only from Geocell, distribution mainly from Ucell.
7 Decline mainly due to the reduced air travel within Yoigo. Business travel include figures from Yoigo and air travel from Teliasonera International Carrier outside the Nordic region and Lithuania.
8 Partial information from Yoigo that reported first time in 2010.
9 The increased number of customers meant that more communications needed to be sent by post.

EN17 – (SCOPE 3) OTHER RELEVANT INDIRECT GREENHOUSE GAS EMISSIONS BY WEIGHT, METRIC TONS CO₂

<table>
<thead>
<tr>
<th>Region</th>
<th>2011</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nordic</td>
<td>9,505</td>
<td>9,442</td>
<td>10,181</td>
</tr>
<tr>
<td>Business travel</td>
<td>19,827</td>
<td>18,559</td>
<td>22,863</td>
</tr>
<tr>
<td>Distribution/logistics</td>
<td>1,463</td>
<td>2,804</td>
<td>4,388</td>
</tr>
<tr>
<td><strong>Nordic, total metric tons CO₂</strong></td>
<td><strong>30,795</strong></td>
<td><strong>30,805</strong></td>
<td><strong>37,433</strong></td>
</tr>
<tr>
<td>Baltic</td>
<td>1,092</td>
<td>1,128</td>
<td>518</td>
</tr>
<tr>
<td>Business travel</td>
<td>916</td>
<td>918</td>
<td>828</td>
</tr>
<tr>
<td>Distribution/logistics</td>
<td>512</td>
<td>349</td>
<td>299</td>
</tr>
<tr>
<td><strong>Baltic, total metric tons CO₂</strong></td>
<td><strong>2,520</strong></td>
<td><strong>2,395</strong></td>
<td><strong>1,664</strong></td>
</tr>
<tr>
<td>Eurasia</td>
<td>2,671</td>
<td>843</td>
<td>747</td>
</tr>
<tr>
<td>Business travel</td>
<td>725</td>
<td>466</td>
<td>429</td>
</tr>
<tr>
<td>Distribution/logistics</td>
<td>62</td>
<td>70</td>
<td>100</td>
</tr>
<tr>
<td><strong>Eurasia, total metric tons CO₂</strong></td>
<td><strong>3,458</strong></td>
<td><strong>1,380</strong></td>
<td><strong>1,276</strong></td>
</tr>
<tr>
<td>Other regions</td>
<td>456</td>
<td>490</td>
<td>284</td>
</tr>
<tr>
<td>Business travel</td>
<td>475</td>
<td>730</td>
<td>-</td>
</tr>
<tr>
<td>Distribution/logistics</td>
<td>373</td>
<td>223</td>
<td>-</td>
</tr>
<tr>
<td><strong>Other region, total metric tons CO₂</strong></td>
<td><strong>1,304</strong></td>
<td><strong>1,443</strong></td>
<td><strong>284</strong></td>
</tr>
<tr>
<td>Total other relevant indirect greenhouse gas emissions in metric tons CO₂</td>
<td>38,078</td>
<td>36,023</td>
<td>40,637</td>
</tr>
</tbody>
</table>
We base our carbon footprint accounting on the guidelines “A Corporate Accounting and Reporting Standard – Revised edition” issued by the Greenhouse Gas Protocol (GHG) of the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). These guidelines are applied to calculate our CO₂ emissions for scope 1 and 2, and partially for scope 3. We estimate that our current CO₂ reporting covers majority of our reporting scope, accounting the varying degrees of comprehensiveness of the information available from 14 out of the 15 countries in the scope of the performance data reporting. The figures include TeliaSonera International Carrier’s operations outside the Nordic region only for their business air travel and estimated electricity usage. In 2012 we will work to improve the quality of our data by implementing an improved reporting system.

We need to consider improving the completeness of scope 3 data throughout our value chain from upstream to downstream activities. In 2012 we will evaluate how the new GHG Protocol standard “Corporate Value Chain (scope 3) Accounting and Reporting Standard” published in October 2011 should be applied in our reporting in the future.

Depending on our operational practices in each country, construction and maintenance work on networks is either mostly outsourced or conducted by our own engineers using our own or leased vehicles. In some operations outsourced maintenance people may even use our cars. Travel-related emissions derived from network operations are therefore reported accordingly in either scope 1 or scope 3. In the Nordic region, for example, where network maintenance and construction are mainly outsourced, the related emissions are reported in scope 3; whereas in Lithuania, where both TEO and Omnitel mostly use their own car fleets, the related emissions are reported in scope 1.

Scope 1 – Our direct energy use
In 2011, our direct energy use amounted to an estimated 547,000 Mjoules (276,000). The main reason for the increase is the extended scope of reporting and thus the figures for different years are not directly comparable. Primary sources of emissions include the back-up power fuels used to operate networks during electricity outages and our owned or leased car fleets used by personnel for maintenance work. The amounts of energy needed to supply networks with back-up power are almost three times larger than the energy used to run our car fleets. Our Eurasian operations accounted for major part of the total diesel-oil usage, as in several countries central energy grids cannot provide sufficient power to run networks 24/7. To reduce the related emissions and costs a comprehensive plan was established during 2011 to increase the use of solar panels as alternative power sources for base stations. More than 100 solar panels have been ordered for such purposes during 2011 and more orders are planned for 2012, for countries including Nepal, Tajikistan and Uzbekistan.

To reduce emissions from our car fleets we have introduced 120 g CO₂ limits for newly leased business cars in Sweden and Norway, and European emission standard’s EURO4 levels for cars in TEO, Lithuania.

Scope 2 – Our electricity consumption
Our largest source of energy use stems from electricity consumption. Our total purchased electricity consumption amounted to 1,174 GWh, representing an increase of 3 percent on 2010 (1,140 GWh). This figure includes the electricity used to keep our networks operational 24/7 for our customers, as well as the electricity used in our offices and part of the electricity used in our own shops. TeliaSonera aims to increase the use of renewable energy across our operations. Renewable electricity certificates purchased in Sweden and Finland reduced our net total CO₂ emissions by an estimated 45,571 metric tons of CO₂ (26 percent of the total scope 2). Share of renewable electricity using these two certificates amounted to 52 percent (50) from the total electricity usage in the Group.

A large share of our electricity use is related to the running our data centers. Data storage needs are estimated to be increasing 50 percent annually. This makes it vital for the providers of services to take measures to increase energy-efficiency. Measures we have taken towards this goal include the virtualization of servers, temperature management and site optimization.

Network production facilities’ cooling systems account for another large share of our total electricity consumption. Technical solutions are being designed to reduce the amounts of energy needed to run these facilities and the cooling needs. This also leads to cost savings. The introduction of new technology generally reduces our energy needs where it is well planned, although such savings are sometimes counteracted by increased capacity needs. Where feasible, we operate facilities with lake water, seawater or natural air for cooling. In the Nordic and Baltic regions, for instance,
weather conditions make natural air cooling possible for much of the year. Our energy-savings initiatives in just two datacenters have yielded over 3.3 GWh reduction compared to the use of electricity in 2010.

The purposeful long-term management of our properties for the needs of offices and networks can yield positive impacts both economically and environmentally. Offices can be designed effectively to require less electricity and heating, while still providing a good working environment. TEO, for instance, have installed a cooling system that uses natural air instead of an air-conditioning system in their new office building. During 2011 NetCom’s office in Oslo, Norway was awarded the national Miljøfyrtårn (Eco Lighthouse) certification after setting clear targets and launching a program to reduce the building’s environmental impacts and including annual verification.

### EN4 – (SCOPE 2) INDIRECT ENERGY CONSUMPTION BY PRIMARY ENERGY SOURCE, TERAJOULE (TJ)

<table>
<thead>
<tr>
<th>Region</th>
<th>2011</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nordic</td>
<td>3,069</td>
<td>3,136</td>
<td>3,144</td>
</tr>
<tr>
<td>Baltic</td>
<td>469</td>
<td>466</td>
<td>430</td>
</tr>
<tr>
<td>Eurasia</td>
<td>545</td>
<td>370</td>
<td>183</td>
</tr>
<tr>
<td>Other</td>
<td>343</td>
<td>362</td>
<td>298</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4,426</td>
<td>4,334</td>
<td>4,093</td>
</tr>
<tr>
<td>Of which purchased electricity, TJ</td>
<td>4,233</td>
<td>4,105</td>
<td>3,623</td>
</tr>
<tr>
<td>Of which district heating/cooling, TJ</td>
<td>193</td>
<td>229</td>
<td>440</td>
</tr>
</tbody>
</table>

1. Decline due to the sales of properties in Finland, reducing district heating consumption. Earlier figures restated due to correction of data.
2. Extended reporting scope within TEO since 2010. The increase from 2010 is due to network upgrades at EMT, Estonia, Omnitel, Lithuania. Figures for Estonia were revised to actuals from estimates for 2010.
3. Data not comparable due to extended scope of reporting and partial information. Restated earlier figures due to calculation errors.
4. Includes TSI outside Denmark, Sweden and Finland and Yoigo in Spain for the first time in 2010. Figures for 2009 restated by extrapolating Yoigo’s information, for 2010 estimate replaced with actual.
5. Data not fully comparable.

### Scope 3 – Business travel and emissions related to logistics and the operations of contractors

Our reporting on scope 3 (EN17) has varied from year to year according to our business decisions on various issues ranging from travel restrictions to the scheduling of network upgrades, which involve commissioning more work from contractors and other suppliers.

In the reporting of business travel emissions, TeliaSonera mainly includes information about flights and the use of employees’ own cars, hired cars or taxis for business purposes in the Nordic and Baltic regions. Business travel in the Eurasian region and Spain is also partially included. In 2011, business travel accounted for emissions totaling 13,725 metric tons CO₂ (11,903).

The operations of our contractors and logistical partners generated 21,943 metric tons CO₂ in 2011. Factors significantly contributing to this included the upgrading of the networks to Long-Term Evaluation (LTE) and technology shift programs in Sweden and Finland. However, since this data is not fully comparable to data from previous years, it can only give a rough indication of the trend.

To facilitate environmentally friendly communications, we widely use video- and teleconferencing services, messaging tools with web cameras, and videostreaming, for instance when disseminating information, organizing training or holding regular meetings.

During 2011, we started roll-outs of both a new communication system for employees’ PCs and of personal or shared videoconferencing equipment. The wider availability of these new communication tools makes it even easier and faster to communicate within and outside the company.

As an example, we held 683 TelePresence videoconferences in Helsinki and Gothenburg in 2011. Assuming that for instance one person from Gothenburg and one from Helsinki would previously have needed to travel to Stockholm to physically attend such meetings, we can calculate that these virtual meetings annually save a total of 21 working months in travel time, SEK 3.8 million in travel costs, and emissions amounting to 86 metric tons of CO₂.
Managing waste responsibly

Our reported waste for 2011 totalled 30,323 metric tons (36,330). Waste volumes fluctuate annually according to business trends. Recycling rates vary significantly between countries and for different waste categories, ranging from 0 to over 95 percent.

Some 60 percent (56) of this total waste figure is categorized as hazardous waste. This is characteristic of our industry and therefore, we need to comply with directives such as Waste Electrical and Electronic Equipment (WEEE) and Restriction of Hazardous Substances (RoHS) directives, and other relevant environmental regulations and legislations. When fixed telephone networks are upgraded, this can result in large quantities of disused wooden poles, which are classed as hazardous waste due to the hazardous substances used to treat them. Such poles make up a large proportion of our current hazardous waste, though batteries, lamps and certain types of cables are also classified as hazardous waste. Our Group Procurement contracts include Black and Grey Lists that have been drawn up to avoid the use of specific hazardous substances.

TeliaSonera strives to select waste management and recycling suppliers with high environmental standards and performance records to handle all types of waste.

<table>
<thead>
<tr>
<th>EN 22 – TOTAL WEIGHT OF WASTE BY TYPE AND DISPOSAL METHOD, METRIC TONS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Baltic(^1)</td>
</tr>
<tr>
<td>Nordic(^2)</td>
</tr>
<tr>
<td>Eurasia(^3)</td>
</tr>
<tr>
<td>Other(^4)</td>
</tr>
<tr>
<td>Total weight of waste, metric tons(^5)</td>
</tr>
<tr>
<td>of which hazardous waste, metric tons(^5)</td>
</tr>
<tr>
<td>of which electronic, metric tons(^5)</td>
</tr>
<tr>
<td>of which cables, metric tons(^6)</td>
</tr>
</tbody>
</table>

1 Data not fully comparable.
2 Partial information. Decrease largely due to network upgrade projects in Finland and Sweden. History updated due to updated information from Netcom, Norway.
3 Partial information only. Not comparable to previous years.
4 Includes Spain. In 2011, one contractor was not able to provide volumes.
5 Data not comparable due to partially incomplete data.
6 Excluding lead cables categorized as hazardous waste.
Responsibility in the market place

TeliaSonera operates in the Nordic and Baltic countries, Spain and the emerging markets of Eurasia. In Russia and Turkey we have associated companies. Trends in the telecommunications industry are in many ways similar in emerging markets and more developed markets. But there are also differences. Underlying drivers vary due to demographic, economical and infrastructural conditions. The total population of our market areas amounts to almost 460 million, signifying huge business opportunities. At year end TeliaSonera had a total of 170 million subscriptions, including associated companies.

“Easy to use” will be the key concept in the future. Through our services, TeliaSonera forms part of our customers’ daily lives including their business, their education and their leisure activities. We can help customers improve their quality of life through efficient and widely available communication services, and also increase their productivity by offering services that give them more flexibility and save time. Our services additionally enhance customers’ access to education, public services, health services and entertainment. Since 2007 we have monitored customer satisfaction using Extended Performance Satisfaction Index (EPSEI) surveys. These surveys compare our performance across the group and also with our industry peers on an annual basis. The EPSEI measures customer satisfaction on a scale of 1–100 (with 100 signifying complete satisfaction). In general companies’ average ratings range between 60 and 75. A rating of 75 means that a company is serving its customer base well. Our objective is to reach a score of 77 out of 100. In 2011 EPSEI surveys were conducted in ten countries, and our overall customer satisfaction rating was 70.6 (70.7 in 2010). Our score has thus remained fairly high, though short of our ultimate target, and we again performed best in our class ahead of our competitors. However our competitors are getting closer to us, so we must continue to focus on improving our processes in all our customer interfaces and communications, while working to improve our brand reputation in each country.

Environmentally friendly customer solutions

Telecommunication services offer many ways to reduce carbon dioxide emissions in areas ranging from optimizing transportation, buildings and energy management to the wider dematerialization of society at large. Our services are often regarded as a fundamental part of the low-carbon society.

We offer our customers services that can increase their productivity and energy efficiency while minimizing their need to travel. Services like tele- and videoconferencing generate savings in time and cost as well as emissions.

We provide services to optimize our customers’ communication, energy management and logistical needs, for instance through unified communication services, tele- and videoconferencing or wireless heating and cooling control systems. Mobile devices allow customers to make their mobile banking transactions on the move, and our mobile health projects bring medical assistance to remote areas in the Eurasian region.

Mobile devices can be used to communicate and control equipment in remote locations. This provides many opportunities to save time, energy – and even lives. When solutions communicate between machines, they are often known as machine-to-machine (M2M) solutions. They can provide a powerful tool for optimizing logistical flows and streamlining other industrial processes such as temperature management and other alert-triggered processes. Our remote metering solutions for electricity companies are particularly popular in Finland, where we are the market leader with almost a million M2M connections for reading electricity meters remotely. We have also entered into our first such contract in Azerbaijan, where we provided 150,000 remote metering solutions for the Baku Electricity Company during 2011.

One important challenge is related to increasing customer demand for new devices and the upgrading of old devices. This trend increases the amounts of e-waste needing proper handling – and makes it even more important to improve recycling rates. We should ensure that suitable recycling processes are offered to our customers.
Customer privacy and network integrity

Developments in telecommunication services, capabilities and infrastructure deployment are very rapid. Data traffic is growing in all regions, bringing new challenges in relation to issues such as data protection. Whereas in our Nordic markets TeliaSonera has a legacy network, in the Eurasia region new mobile telecommunications infrastructure is being intensively deployed. This may in fact make it easier to protect privacy than where complex existing networks are upgraded in mature markets.

Technological trends such as the cloud (virtual networks and software available remotely for access by users), behavioral advertising, deep packet inspection (examination of a data of a computer’s network enabling for instance, network management, security and data mining), location awareness and the risk that seemingly anonymous data can be re-identified all pose challenges to all kinds of players in the ICT field, including TeliaSonera.

TeliaSonera strives to operate highly secure communication networks and take actions to prevent unauthorized access to personal data. We are committed to protect and safeguard our customers’ privacy, as is clearly stated in our Code of Ethics and Conduct. TeliaSonera adheres to national regulations in every market where we operate, and supplies authorities with information only when this is required by the law, in response to appropriate formal requests from the authorities. Procedures related to the proper handling of legally permissible information requests, including requests from the duly appointed authorities, is a key issue for TeliaSonera.

In early 2011 the Board of Directors in TeliaSonera approved our new Group Privacy Policy. This policy defines TeliaSonera’s on-going work in respect of privacy. It includes commitments on the provision of information to customers and the authorities: user-consent, the collection, processing and retention of data, data accuracy, risk assessments, requirements imposed on suppliers, technical and organizational measures and confidentiality. Every employee of TeliaSonera has to follow this policy wherever they work.

During 2011, an implementation plan for our Privacy Policy was developed, based on a pre-study. The plan consists of a two-year Group Privacy Governance Program, which aims to ensure that the entire TeliaSonera Group complies with national laws, the Group Privacy Policy and end-user expectations, based on defined key performance indicators. Our privacy governance work aims to fill identified compliance gaps and prioritize high risk areas. Priorities and local measures to address these issues may vary, reflecting the different stages of development in different markets. Every upgrading of network infrastructure additionally brings opportunities to review and implement compliance with the Privacy Policy.

The total number of complaints regarding breaches of customer privacy during 2011 amounted to 66. A total of 46 substantiated complaints were received from outside parties and substantiated by the organization, and 20 complaints were received from regulatory bodies. The total number of identified leaks, thefts, or losses of customer data amounted to 11.

The open character of internet

Issues related to net neutrality and the open character of the internet are being increasingly debated internationally. This is a result of the rapid increase in the volume of traffic passing over the internet and the technological changes taking place. TeliaSonera believes that operators will be incentivized to constantly increase their efficiency in order to be able to provide better services to customers if they are given freedom and flexibility to effectively manage traffic. However, this requires that end-users are given a realistic opportunity to make an informed decision and to compare different offerings. Read more about TeliaSonera’s position on Openness at www.teliasonera.com/en/about-us/public-policies/.

All content and application services should flow across networks, but all types of applications will not be included in all price models. Therefore TeliaSonera has announced its intention to implement a transparency declaration related to broadband in the Nordic and the Baltic countries. According to this declaration, broadband customers will be appropriately informed of issues such as the realistic speed to be expected, limitations in traffic types, services or applications, the amounts of data that should be considered as fair usage level and consequences for usage beyond that level, and any traffic management measures that are essential to the customer experience.
**Responsible marketing**

The market for telecommunication services is highly competitive, and potential customers have varying levels of understanding of the financial impacts of their decisions. TeliaSonera is committed to provide clear pricing schemes, balanced product information and sound marketing practices related to content, especially when addressing minors. Special care is taken in relation to marketing that targets minors, with a strict ban on marketing that directly targets children.

For us, responsible marketing includes providing clear tariffs and invoices for customers, services that help customers manage their usage, and responsible communication with minors. Our local marketing departments work closely with our legal departments to ensure compliance with national marketing regulations.

In 2011 we were involved in approximately 15 cases related to possible non-compliance with regulations and voluntary codes concerning product and service information and labelling. After investigations, our activities were deemed to be legal in the majority of these cases, and thanks to the prompt corrective measures taken by our companies the remaining cases did not result in any legal remedies or fines.

In 2011 TeliaSonera didn’t have any non-compliance with regulations and voluntary codes concerning health and safety impacts of our products and services.

We have launched a number of initiatives across our operations to improve the clarity of our customer tariffs and prices. During 2011 TeliaSonera continued to develop gap analysis in order to ensure and validate our group-wide approach to responsible marketing practices, and to define common basic practices that can be supplemented with local initiatives and guidelines.

The TeliaSonera group’s sponsorship strategy complies with the International Code Council’s International Code on Sponsorship.
Our core business is to meet one of the most profound and basic human needs – to communicate. We ensure that people can stay in touch, and share their news, views and information. Today, few of us can imagine a life without mobile phones or internet access. Banks, hospitals, farmers, restaurants and schools – all rely on telecommunication networks and services in their day-to-day activities. It would be fair to say that society as such would be a very different place without our industry and the services we provide.

Distribution of value among our stakeholders

TeliaSonera provides network access and telecommunications services to our customers; we buy infrastructural equipment related to the building, development and maintenance of our fixed and mobile networks and IT systems and services; and we purchase mobile handsets and other consumer electronic devices from our contractors and suppliers. We pay salaries, dividends and taxes that benefit our employees, local communities and national economies. These actions all generate direct monetary flows affecting TeliaSonera’s stakeholders.

We create value for our stakeholders in many different ways. The table below shows how the value that we add to our products is distributed among stakeholders.

<table>
<thead>
<tr>
<th>TELIASONERA VALUE DISTRIBUTION</th>
<th>2011</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generation of value added, SEK million</td>
<td>104,354</td>
<td>106,979</td>
<td>109,550</td>
</tr>
<tr>
<td>Customers + Net sales</td>
<td>104,354</td>
<td>106,979</td>
<td>109,550</td>
</tr>
<tr>
<td>Suppliers – Operating expenses</td>
<td>56,899</td>
<td>58,415</td>
<td>56,899</td>
</tr>
<tr>
<td>– Capital expenditure</td>
<td>14,934</td>
<td>14,806</td>
<td>14,934</td>
</tr>
<tr>
<td>= Value added</td>
<td>31,484</td>
<td>35,146</td>
<td>37,128</td>
</tr>
<tr>
<td>Distribution</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees – Personnel expenses</td>
<td>12,628</td>
<td>13,685</td>
<td>14,806</td>
</tr>
<tr>
<td>Shareholders – Dividends paid</td>
<td>12,349</td>
<td>10,104</td>
<td>8,083</td>
</tr>
<tr>
<td>– Share repurchase</td>
<td>9,943</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Creditors – Interest expenses, net</td>
<td>2,344</td>
<td>1,784</td>
<td>2,344</td>
</tr>
<tr>
<td>Public sector – Income taxes</td>
<td>5,702</td>
<td>6,374</td>
<td>6,334</td>
</tr>
<tr>
<td>= Distributed to stakeholders</td>
<td>42,986</td>
<td>31,947</td>
<td>31,567</td>
</tr>
</tbody>
</table>

Customers

In 2011 TeliaSonera’s net sales amounted to SEK 104,354 million (106,979). Our main markets were Sweden (34.6 percent), Eurasia (16.5 percent) and Finland (14.4 percent).

Suppliers

In 2011 TeliaSonera purchased materials and services at a total value of SEK 72,870 million (71,833). We play an important role in the economies of many of our suppliers and contractors.

TeliaSonera is particularly a significant industrial investor in countries in our Eurasian region, contributing to the development of local economies through employment and the construction and maintenance of mobile infrastructure. Capital expenditure investments in TeliaSonera’s mobile operations in Azerbaijan, Georgia, Kazakhstan, Moldova, Nepal, Tajikistan and Uzbekistan, have amounted to an aggregate amount of approximately SEK 30 billion since 2003. Most of TeliaSonera’s infrastructural investments in Eurasia involve procurements from global suppliers. But the fact that in general many of our suppliers are local contributes considerably to the wider economic development of the countries where we operate.

Employees

TeliaSonera offers direct employment for 28,412 people in 30 countries. In 2011 our personnel expenses总额SEK 12,628 million (13,685), of which SEK 9,974 million (10,405) was paid in wages and salaries.

The salaries paid by TeliaSonera have a direct effect on our employees’ purchasing power, and consequently also the wider economic vitality of local communities.
Shareholders
At the end of the 2011 TeliaSonera had 580,076 shareholders registered on the Stockholm and Helsinki stock exchanges.

TeliaSonera’s shareholders are rewarded through dividends and any increases in share prices.

According to TeliaSonera’s dividend policy, ordinary dividend shall be at least 50 percent of net income attributable to owners of the parent company. The total sums paid out in dividends in 2011 amounted to SEK 12,349 million. During the fiscal year 2011 a further SEK 9,943 million was distributed to shareholders through a share repurchase offer. In 2011 TeliaSonera’s share price declined 12.3 percent on the NASDAQ OMX Stockholm Stock Exchange compared with the sector average.

Public sector
During 2011, TeliaSonera reported a total of SEK 5,702 million in income taxes to the public sectors of the countries where we operate.

TeliaSonera received grants for research and development purposes amounting to approximately SEK 53 million (SEK 20 million) from various national governments.

Society
In 2011 TeliaSonera donated sums amounting to SEK 72.3 million to various social projects. 60 percent of these projects were realized in the Eurasia region. The majority of these funds were used for infrastructure projects for local communities, 26 percent, and for cause related marketing, 26 percent. Some 20 percent was channelled in philanthropic and charitable works.

In 2011 Ncell in Nepal joined Save the Children’s Adopt a School programme, aiming to improve the quality of education in primary and secondary schools in rural areas. Ncell built classrooms, water facilities, toilets, e-libraries and provided furniture, educational materials, sports and playing materials to 11 schools in 5 different areas. Ncell also provided computers for e-libraries and trained the teachers on software, hardware and content management. Around 5,000 children in each district benefitted from better classroom conditions, interactive learning methods and education using computers. Ncell will continue this project also in 2012, involving additional schools.

Omnitel in Lithuania cooperated with Swedbank during 2011 to launch a professional volunteer work project “Who Needs it?!”, which aims to raise pupils’ motivation to learn. Through this scheme business professionals share their experiences with pupils, so as to show them how they will be able to use the knowledge they gain at school later in their working lives. This will not only help pupils to choose a career, but also inspire them to learn and be creative. According to the plan, 95 percent of schools are to participate during the first four years of the project through 3,000 planned meetings with pupils. Some 2,000 professionals from various businesses will contribute to this project on a voluntary basis.

Bridging the digital divide
Telecommunications drive economic growth, competitiveness, transitions towards a knowledge-based society and wider socio-economic development. TeliaSonera is committed to bridging the digital divide and improving the accessibility of telecom services.

To improve network coverage, TeliaSonera continuously invests in both mobile and fixed infrastructure. We spent SEK 17,243 million (14,934) on such investments during 2011, expanding coverage to more places where people live, work, travel and spend their leisure time. The service levels and coverage of our networks are in compliance with provisions defined in local regulations and frequency licenses in all markets.

Over the past few years TeliaSonera has launched the world’s first 4G networks, become Europe’s leading IP carrier, and built the world’s highest altitude mobile data network in the Himalayas. The group’s operations now span from the Nordic and Baltic countries, on through our Eurasian region all the way to Nepal, encompassing more than 170 million customers.
Emerging markets represent a considerable growth opportunity for TeliaSonera, while at the same time we can support these countries’ rapid progress in becoming information societies as they make technological leaps directly enabled by the opportunities that mobile networks can offer. Demand for our services in these regions is driven by their growing young populations, rising standards of living, and the limited availability of fixed telecommunication networks.

Network coverage in less populated areas is also important. TeliaSonera is involved in several ongoing improvements in such regions. These projects may involve supplementing the upgrading of fixed networks with additional upgrades establishing 3G systems, or by establishing mobile coverage instead of fixed networks in the first place.

We aim to provide best-in-class networks to perfect our approach to the entire chain of network operations, from design and development to roll-outs and operational phases. We strive to guarantee availability and reliability in our mobile networks by making improvements that enhance network dependability.

We have a systematic approach to disaster recovery 24/7, involving back-up power supplies, transmission redundancy and special solutions for recovery. In emergency situations and disasters TeliaSonera is prepared to manage the continuity of services according to policies on business continuity and crisis management. We strive to develop and maintain the durability of networks to withstand disturbances and recover from possible disasters. In many areas we have cooperated with the national authorities on the preparation of crisis management plans and emergency policies.

Ncell in Nepal has approved a plan to build a highly robust mobile network with suitable redundancy features by the end of 2014. This will involve the construction of new, earthquake-proof data centers, and the implementation of redundant transmission capability.

Affordable services are important to enable digital inclusion and to enhance digital equality for people coming from different backgrounds, especially in relation to opportunities to study. In response to such needs we offer, for example, special discount prices for students in Lithuania, Moldova and Uzbekistan.

In countries with ageing populations we need to ensure that the elderly are included in the information society. In Denmark, Estonia, and Lithuania we offer elderly customers special tariff pricing and phones with easy to use functions. Similar offers exist also in some Eurasian markets, including Kazakhstan and Tajikistan.

In Moldova we offer a “Please call me” service. When a subscriber with no money in their account needs to contact someone urgently, they can reach that person in any conditions by “beeping” them with the help of a special Unstructured Supplementary Services Data (USSD) code. This alerts their contact to make the necessary callback. The same type of service is also provided in Azerbaijan, Kazakhstan and Uzbekistan.

In 2011 TEO in Lithuania, together with the charity and support fund Algojimas, organized special training for nearly 300 employees to enable them to work with people with various disabilities. The Ministry of Social Security and Labor gave TEO the first Lithuanian certificate for such work to confirm their competence.

Ready to help respond to emergencies

TeliaSonera is prepared to assist rescue work and disaster relief in cases of major emergencies and catastrophes. Most of our companies in our Eurasia region, for example, have mobile base stations that can be set up in areas affected by disasters. Ucell in Uzbekistan and Azercell in Azerbaijan, have the capacity to send alert SMSs about ongoing natural disasters to areas at risk.

On Friday, 11 March 2011 an earthquake of magnitude 9.0 caused a powerful tsunami that swept over Japan’s Pacific coast in the Tohoku region. This was the most powerful known earthquake ever to hit Japan, and it caused great destruction, killing many people and damaging and destroying many buildings, including nuclear plants. Telia Sweden, Sonera Finland, Netcom Norway, Telia Denmark and Kcell in Kazakhstan provided free calls for their customers located in the area affected during the aftermath of the tsunami.

On Sunday, 23 October 2011 an earthquake of magnitude 7.1 affected tens of thousands of people in eastern Turkey near the city of Van. TeliaSonera will be supporting students affected by the Van earthquake by funding the building of a high school, replacing the Van Kazim Karabekir High School, which became unusable after the earthquake. The construction of the 24-classroom school is due to be completed by summer 2012. The project is being run in coordination with the Turkish Ministry of Education. TeliaSonera’s direct financial support for the project will total around SEK 9.7 million.
Protecting children and young network users

Teliasera pays special attention to the need to protect children and young people from abuse within the scope of our services. We have also taken an ethical stand-point against child sexual abuse images. Our work is guided by a group instruction on efforts to combat child sexual abuse. In Finland, Estonia, Norway and Sweden, Teliasera provides parents with tools to control the content and to limit their children’s internet usage.

Our work in this area involves running our own initiatives, establishing partnerships and participating in wider initiatives.

The EU CEO Coalition to Make the Internet a Better Place for Kids

Teliasera is a founding leader in this initiative, which was launched by the European Union in December 2011 in response to a call for action from the European Commission. The Coalition has resolved to take action and channel resources from its member organizations and partners in order to find suitable and practical solutions to real problems, focusing on:

- Simple and effective reporting tools for users
- Age-appropriate privacy settings
- The wider use of content classification
- The wider availability and use of parental control
- Effective takedown of child abuse material

Blocking child sexual abuse content

Teliasera is committed to take a firm stand against online material that is sexually abusive towards children. This is the only area of content on the internet where we take an active stand. We believe that a multi-stakeholder approach, including politicians, non-governmental organizations and the industry is the only way to identify long-term solutions to tackle this complex issue. By blocking access we can stem the demand for new images, and help to prevent the future abuse of children.

As a major international operator Teliasera carries a significant share of overall internet traffic. This is a great responsibility, which entails many regulatory and legal obligations that we must meet to ensure that we manage our business properly and securely.

In several countries Teliasera is currently blocking internet access to sites defined by national police as providing child sexual abuse material (dns-blocking: www.domain.com). We are also working with the software provider Netclean (www.netclean.com) and the Internet Watch Foundation (www.iwf.org.uk) to develop improved solutions enabling this kind of illegal content to be isolated, so that access to it can be blocked. In 2011 Teliasera launched an improved version of a solution preventing the distribution of material depicting child sexual abuse through our Spanish, Nepali and Swedish networks, based on Netclean’s Whitebox solution (url-blocking:www.domain.com/page/image.jpg).

Teliasera is also a founding member of the GSMA Mobile Alliance initiative, which is designed to obstruct the use of the mobile environment by individuals or organizations wishing to consume or profit from child sexual abuse content (see www.gsmworld.com/our-work/public-policy/mobile-alliance.htm).

We have also purchased a license for the use of proactive NetClean software and started to use this software in house within our Swedish operations. Usage will next be expanded to all of our internal operations including companies wholly owned by Teliasera.

Partnerships

In order to make the internet a safer place for kids, we are also working with the following partner organizations:

- The World Childhood Foundation (www.childhood.org)
- Save the Children (www.savethechildren.org)
- Friends (www.friends.se)
- Surf in peace (surfa lugnt)

We collaborate with Friends, Sweden’s largest anti-bullying organization, participating in projects designed to prevent the bullying of children and teenagers via mobiles and the internet.

Relations with governments and authorities

Operator licenses, frequencies and other prerequisites for our operations are controlled by national governments. Technical aspects of our infrastructure, such as fiber cables and masts, and the working conditions of our employees are also covered by national legislation. Engaging with governments and the relevant authorities is therefore naturally a routine part of our business. In such contexts Teliasera observes fair business practices and acts in accordance with strict standards to uphold fair competition and avoid taking any inappropriate advantages.

In dialogues concerning the regulations which affect our business, we aim to promote a stable and predictable regulatory environment, to encourage investment and innovation, and to promote equal opportunity. We regularly engage transparently with regulators throughout our markets, in order to share our expe-riences and opinions.
TeliaSonera does not engage in the politics of the countries in which we operate, nor do we make political donations. We do not comment on politics or make political statements when representing our company. However, TeliaSonera does engage in dialogues regarding regulations that affect our business.

TeliaSonera’s public policy engagements during 2011 focused on the following areas: roaming pricing, interconnection and access to networks, universal service obligations, openness/net neutrality, radio spectrums, copyright and access to content, the protection of children online and the ‘UN Guiding Principles on Business and Human Rights’, focusing on freedom of expression and privacy.

Mobile devices, masts and health issues

In relation to electromagnetic fields (EMF) TeliaSonera takes a serious approach to concerns voiced by researchers, customers and the general public. We actively and openly provide information about EMF and customer safety.

TeliaSonera acts in accordance with EU directives and recommendations designed to limit the exposure of the general public to electromagnetic fields. All base stations supplied to TeliaSonera comply with the relevant guidelines issued by the International Commission on Non-Ionizing Radiation Protection (ICNIRP). With regard to handsets, the ICNIRP guidelines and the European CENELEC standards are followed where a maximum specific absorption rate (SAR) value of 2 watts per kilogram is allowed for mobile phones. We expect our suppliers to adapt their products as necessary if any new scientific findings or standards indicate that exposure levels should be reduced.

TeliaSonera’s mobile services depend on a well-planned network of base stations. Stakeholders are consulted and health concerns and visual implications are discussed before the locations of mast sites are determined. Procedures for engaging with local communities in relation to decisions on the locations of base stations may vary by country, as differences in local planning legislation need to be taken into account. TeliaSonera fulfills the requirements set by local authorities in all countries.

All electrical equipment emits a certain amount of electromagnetic radiation when in use. Mobile telephones and mobile systems are no exception. TeliaSonera recognizes increasing awareness of this issue and acknowledges concerns related to exposure from electromagnetic fields (EMF) due to the increased number of mobile terminals, base stations and mobile handsets. The health and safety of our own employees and our contractor’s workforce, our customers and general public are of great concern to us.

In 2011 the International Agency for Research on Cancer (IARC) of the World Health Organisation (WHO) classified radiofrequency EMF as possibly carcinogenic to humans (Group 2B). According to IARC the evidence, while still accumulating, limited and inadequate, is strong enough to support a classification. But even after this classification the WHO states that “To date, no adverse health effects have been established as being caused by mobile phone use.” and also “While an increased risk of brain tumors is not established, the increasing use of mobile phones and the lack of data for mobile phone use over time periods longer than 15 years warrant further research of mobile phone use and brain cancer risk.” (www.who.int/mediacentre/factsheets/fs193/)

Some national radiation protection agencies pointed out to the public that this 2B classification also applies to common household products such as caffeine (present in coffee) and canned vegetables.

Whenever possible, we share the locations of masts and base stations with other mobile network operators to reduce overall environmental impacts and costs by limiting the total numbers of sites needed. At present 73 percent of our 44,635 base stations are located at shared sites or sites placed on existing structures such as high buildings or highway lighting poles.

**108 - 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>2011</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stand-alone sites</td>
<td>11,837</td>
<td>13,422</td>
<td>11,209</td>
</tr>
<tr>
<td>Shared sites that are stand alone</td>
<td>10,606</td>
<td>11,303</td>
<td>10,653</td>
</tr>
<tr>
<td>Sites on existing structures</td>
<td>22,193</td>
<td>16,895</td>
<td>16,924</td>
</tr>
<tr>
<td>Total number of sites</td>
<td>44,636</td>
<td>41,620</td>
<td>38,786</td>
</tr>
</tbody>
</table>

We cooperate with the authorities, associations and organizations, and support independent research in this area. TeliaSonera follows the EMF norms issued by the World Health Organization and the United Nations to ensure human health and safety. We have a public EMF policy and a dedicated team within our Mobility Services function responsible for coordinating group-wide measures and activities.

The mobile phone industry takes all questions regarding the safety of mobile phones seriously, and TeliaSonera remains strongly committed to support related scientific research, both directly and through the GSM Association. A related project http://www.gsma.com/documents/mobile-communications-and-health-research-program/18663) is being funded by the mobile phone industry jointly with governments and national health agencies in ways that ensure the scientific independence of the research. TeliaSonera is involved as a co-sponsor in the COSMOS study (International cohort study on mobile phone use and health). TeliaSonera also provides the scientists involved with customer data. This type of study has been prioritized in the WHO’s EMF Research Agenda. To ensure scientific independence, a firewall mechanism has been established between the industrial co-sponsors and the scientists.

For more information about this subject see www.teliasonera.com/en/about-us/public-policies/.
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2.3. Operational structure of the organization including main divisions, operating companies, subsidiaries and joint ventures
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Stockholm, Sweden
2.5. Number of countries where organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in this report
AR/Consolidated Financial Statements/C32. Human Resources, p. 85
Managing CR risks, p. 12
2.6. Nature of ownership and legal form
AR/Corporate Governance Statement, p. 24
2.7. Markets served (including geographic breakdown, sectors served and types of customers/beneficiaries)
2.8. Scale of reporting organization including: – Number of employees – Net sales – Total capitalization – Quantity of products and services provided
AR/Introduction, p. 4
AR/Consolidated Financial Statements, p. 28
2.9. Significant changes during the reporting period regarding size, structure or ownership, including - Location of, or changes in operations, including facility operations, closings, and expansions; and - Changes in the share capital structure and other capital formation, maintenance, and alteration operations
AR/Report of the Directors/Ordinary Dividend to Shareholders, p. 15
2.10. Awards received during the reporting period
Stakeholder management/CR Indexes and recognitions p. 15

REPORT PARAMETERS
3.1. Reporting period for information provided
Calendar year 2011
3.2. Date of most recent previous report
March 2011
3.3. Reporting cycle
Annual
3.4. Contact point for questions regarding the report or its contents
Contacts and feedback, p. 45

REPORT SCOPE AND BOUNDARY
3.5. Process for defining report content, including: - Determining materiality – Prioritizing topics within the report - Identifying stakeholders the organization expects to use the reports
Stakeholder management, p. 13
CR issues in TeliaSonera’s value chain, p. 6
3.6. Boundary of the report
Scope and profile, p. 5
3.7. Specific limitations on the scope or boundary of the report
Scope and profile, p. 5
3.8. Basis for reporting joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations
Scope and profile, p. 5
3.9. Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report
Scope and profile, p. 5
3.10. Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement
Scope and profile, p. 5
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3.12. Table identifying the location of the Standard disclosures in the report
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<td>4.7. Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization’s strategy on economic, environmental and social topics</td>
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<th>Financial implications and other risks and opportunities for the organization’s activities due to climate change</th>
<th>AR/Consolidated Financial Statements/C35. Risks and Uncertainties, p. 90</th>
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<td>CR Performance/TeliaSonera in society, p. 34</td>
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**Market presence**

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<th>CR Performance/Our employees make it happen/Labor practices, p. 20</th>
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<td>CR Performance/CR along our supply chain, p. 16</td>
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<td>CR Performance/Our employees make it happen/Diversity and equal opportunities, p. 20</td>
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**Indirect economic impacts**

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<td>Understanding and describing significant indirect economic impacts, incl. the extent of impacts</td>
<td>CR Issues in the TeliaSonera’s value chain, p. 6</td>
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**ENVIRONMENT**

**Disclosure on management approach to environment**

<table>
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<th>EN1.</th>
<th>Materials used by weight or volume</th>
<th>Not reported.</th>
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<td>EN2.</td>
<td>Percentage of materials used that are recycled input materials</td>
<td>Not reported.</td>
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**Materials**

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<th>EN3.</th>
<th>Direct energy consumption by primary energy source</th>
<th>CR Performance/TeliaSonera’s environmental impact and performance, p. 27</th>
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<td>EN4.</td>
<td>Indirect energy consumption by primary source</td>
<td>CR Performance/TeliaSonera’s environmental impact and performance, p. 27</td>
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<td>EN5.</td>
<td>Energy saved due to conservation and efficiency improvements</td>
<td>CR Performance/TeliaSonera’s environmental impact and performance, p. 27</td>
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<td>Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives</td>
<td>CR Performance/TeliaSonera’s environmental impact and performance, p. 27</td>
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<tr>
<td>EN7.</td>
<td>Initiatives to reduce indirect energy consumption and reductions achieved</td>
<td>CR Performance/TeliaSonera’s environmental impact and performance, p. 25</td>
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**Energy**

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<th>EN8.</th>
<th>Total water withdrawal by source, m3</th>
<th>Not reported.</th>
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<td>EN9.</td>
<td>Water sources significantly affected by withdrawal of water</td>
<td>Not material.</td>
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<tr>
<td>EN10.</td>
<td>Percentage and total water volume of water recycled and reused</td>
<td>Not material.</td>
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**Water**

<table>
<thead>
<tr>
<th>EN11.</th>
<th>Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity outside protected areas</th>
<th>Not reported.</th>
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<tr>
<td>EN12.</td>
<td>Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity outside protected areas</td>
<td>Not reported.</td>
</tr>
<tr>
<td>EN13.</td>
<td>Habitats protected or restored</td>
<td>Not material.</td>
</tr>
<tr>
<td>EN15.</td>
<td>Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk</td>
<td>Not material.</td>
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</tbody>
</table>
## Emissions, effluents and waste

| EN16. Total direct and indirect greenhouse gas emissions by weight | CR Performance/TeliaSonera’s environmental impact and performance/TeliaSonera’s CO2 emissions in 2011, p. 25 |
| EN17. Other relevant indirect greenhouse gas emissions by weight | CR Performance/TeliaSonera’s environmental impact and performance/TeliaSonera’s CO2 emissions in 2011, p. 26 |
| EN18. Initiatives to reduce greenhouse gas emissions and reductions achieved | CR Performance/TeliaSonera’s environmental impact and performance, p. 26 and 29 |
| EN19. Emissions of ozone-depleting substances by weight | Not reported. |
| EN20. NOx, SOx, and other significant air emissions by type and weight | Not reported. |
| EN21. Total water discharged by quality and destination | Not material. |
| EN22. Total of waste by type and disposal method | CR Performance/TeliaSonera’s environmental impact and performance, p. 28 |
| EN23. Total number and volume of significant spills | Not reported. |
| EN24. Weight of transported, imported, exported or treated waste deemed hazardous under the terms of Basel Convention Annex I, II, III and VIII, and percentage of transported waste shipped internationally | Not reported. |
| EN25. Identify, size, protected status and biodiversity value of water bodies and related habitats significantly affected by the reporting organization’s discharges of water and runoff. | Not material. |

## Products and services

| EN26. Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation | CR Performance/TeliaSonera’s environmental impact and performance, p. 25 |
| EN27. Percentage of products sold and their packaging materials that are reclaimed by category | Not reported. |
| EN28. Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations | Code of Ethics and Conduct/Compliance and whistle-blowing p.9 |

## Transport

| EN29. Significant environmental impacts & transporting products & other goods and materials used for the organization’s operations, and transporting members of the workforce | CR Performance/TeliaSonera’s environmental impact and performance, p. 27 and 28 |

## Overall

| EN30. Total environmental protection expenditures and investments by type | Not reported. |

### HUMAN RIGHTS

**Disclosure on management approach to human rights**

| HR1. Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening | Managing CR risks, p. 9 |
| HR2. Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken | CR Performance/CR along our supply chain, p. 16 |
| HR3. Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained | Not reported. |

**Investment and procurement practices**

| HR4. Total number of incidents of discrimination and actions taken | No cases reported. |

**Non-discrimination**

| HR5. Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights | CR Performance/CR along our supply chain, p. 16 |
| CR Performance/CR along our supply chain, p. 16 |
| Managing CR, p. 12 |
| Managing CR risks/Addressing ethical business practices, p. 12 |

**Freedom of association and collective bargaining**

| HR6. Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor | CR Performance/CR along our supply chain, p. 16 |
| CR Performance/CR along our supply chain, p. 16 |
| Managing CR, p. 12 |
| Managing CR risks/Addressing ethical business practices, p. 12 |

**Child labor**

| HR7. Operations identified as having significant risk for incidents of forced or compulsory labor, and measures taken to the elimination of forced or compulsory labor | CR Performance/CR along our supply chain, p. 16 |
| CR Performance/CR along our supply chain, p. 16 |
| Managing CR, p. 12 |
| Managing CR risks/Addressing ethical business practices, p. 12 |
### Security practices

**HR8.** Percentage of security personnel trained in the organization’s policies and procedures concerning aspects of human rights that are relevant to operations

- **Not reported.**

### Indigenous rights

**HR9.** Total number of incidents of violations involving rights of indigenous people and actions taken

- **Not reported.**

### Assessment

**HR10.** Percentage and total number of operations that have been subject to human rights reviews and/or impact assessment

- Managing CR risks, p. 9

### Remediation

**HR11.** Number of grievances to human rights filed, addressed and resolved through formal grievance mechanisms

- Code of Ethics and Conduct/Compliance and whistle-blowing p.9

### LABOR PRACTICES AND DECENT WORK

#### Disclosure on management approach to labor practices

- Managing CR, p. 7

#### Employment

**LA1.** Total workforce by employment type/contract and region, broken down by gender

- Our employees make it happen, p. 19

**LA2.** Total number and rate of new employee hires and employee turnover by age group/gender and region (according to national legislation; total number/at the end of the year=percent)

- Our employees make it happen, p. 19

**LA3.** Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation

- Not reported.

#### Labor/management relations

**LA4.** Collective agreements. Percentage of employees covered by collective bargaining agreements

- Our employees make it happen, p. 20

**LA5.** Minimum notice period. Minimum notice periods regarding significant operational changes including whether it is specified in collective agreements

- Our employees make it happen, p. 20

#### Occupational health and safety

**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

- Occupational health and safety, p. 24

**LA7.** Injuries. Rates of injury, occupational diseases, lost days and absenteeism and total number of work-related fatalities per region and by gender

- Occupational health and safety, p. 24

**LA8.** Education, training, counseling, prevention and risk-control programs in place to assist workforce members, their families or community members regarding serious diseases

- Occupational health and safety, p. 23

**LA9.** Health & safety topics covered in formal agreements with trade unions

- Not reported.

#### Training and education

**LA10.** Average hour of training per year per employee per employee category, and by gender

- Not reported.

**LA11.** Programs for skills management and lifelong learning that support continued employability of employees and assist them in managing career endings

- Not reported.

**LA12.** Percentage of employees receiving regular performance and career development reviews, by gender

- Our employees make it happen, p. 20

#### Diversity and equal opportunity

**LA13.** Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity

- Our employees make it happen, p. 20

AR/Corporate Governance Statements, p. 24 and 33

#### Equal remuneration for women and men

**LA14.** Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation

- Not reported.

#### Employment

**LA15.** Return to work and retention rates after parental leave, by gender

- Not reported.

### SOCIETY

#### Disclosure on management approach to society

- Managing CR, p. 7

#### Local community

**SO1.** Percentage of operations with implemented local community engagement, impact assessments, and development programs

- TeliaSonera in society/Society p. 34

#### Corruption

**SO2.** Percentage and total number of business units analyzed for risks related to corruption

- Managing CR risks, p. 9

**SO3.** Percentage of employees trained in organizations’ anti-corruption policies and procedures

- Not reported.

**SO4.** Actions taken in response to incidents of corruptions

- Code of Ethics and Conduct/Compliance and whistle-blowing p.9
### Public policy

**SO5.** Public policy positions and participation in public policy development and lobbying  
Managing CR risks/ Freedom of expression- a human rights dilemma p. 10

**SO6.** Total value of financial and in-kind contributions to political parties, politicians and related institutions by country  
No political contributions given.

### Anti-competitive behavior

**SO7.** Total number of actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes  
Managing corporate responsibility risks/Addressing ethical business practices p. 12

### Compliance

**SO8.** Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations  
Code of Ethics and Conduct, p. 9

### Local community

**SO9.** Operations with significant potential or actual negative impacts on local communities  
CR issues in TeliaSonera’s value chain, p. 6  
TeliaSonera in society/Mobile devices, masts and health issues p. 37

**SO10.** Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities  
TeliaSonera in society/Mobile devices, masts and health issues p. 37

### PRODUCT RESPONSIBILITY

**Disclosure on management approach to product responsibility**  
Managing CR, p. 7

**Customer health and safety**

**PR1.** Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and service categories subject to such procedure  
TeliaSonera in society/Mobile devices, masts and health issues p. 37

**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  
TeliaSonera in society/Mobile devices, masts and health issues p. 37

**Product and service labeling**

**PR3.** Type of product and service information required by procedures, and percentage of significant products and services 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  
Responsibility in the market place/Responsible marketing, p. 32

**PR5.** Practices related to customer satisfaction, including results of surveys measuring customer satisfaction  
Responsibility in the market place, p. 31

**Marketing communications**

**PR6.** Programs for adherence to laws, standards and voluntary codes concerning marketing communications including advertising, promotion and sponsorship  
Responsibility in the market place/Responsible marketing, p. 32

**PR7.** Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship by type of outcomes  
Responsibility in the market place/Responsible marketing, p. 32

**Customer privacy**

**PR8.** Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data  
Responsibility in the market place/Customer privacy and network integrity, p. 31

### Compliance

**PR9.** Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services  
No cases reported.

### TELECOM SECTOR SPECIFIC (PILOT 2003)

**Investment**

**IO1.** Capital investment in telecommunication network infrastructure broken down by country/region  
TeliaSonera in society, p. 33

**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  
Not reported.
### 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 | Occupational health and safety, p.23 |
| IO4. | Compliance with ICNIRP standards on exposure to RF emissions from handsets | TeliaSonera in society/Mobile devices, masts and health issues p.37 |
| IO5. | Compliance with ICNIRP guidelines on exposure to RF emissions from base stations | TeliaSonera in society/Mobile devices, masts and health issues p.37 |
| IO6. | Policies and practices with respect to Specific Absorption Rate (SAR) of handsets | TeliaSonera in society/Mobile devices, masts and health issues p.37 |

### Infrastructure

| IO7. | Policies and practices on the siting of masts and transmission sites including stakeholder consultation, site sharing and initiatives to reduce visual impacts | TeliaSonera in society/Mobile devices, masts and health issues p.37 |
| IO8. | Number and percentage of stand-alone sites, shared sites and sites on existing structures | TeliaSonera in society/Mobile devices, masts and health issues p.37 |

### Access to Telecommunication Products and Services: Bridging the Digital Divide

| 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 | TeliaSonera in society/Bridging the digital divide, p. 34 |
| PA2. | Policies and practices to overcome barriers for access and use of telecommunication products and services including: language, culture, literacy, and lack of education, income, disabilities and age | TeliaSonera in society/Bridging the digital divide, p. 34 |
| PA3. | Policies and practices to ensure availability and reliability of telecommunications products and services and quantity, where possible, for specified time periods and locations of down time | TeliaSonera in society/Bridging the digital divide, p. 34 |
| PA4. | The level of availability of telecommunications products and services in areas where the organization operates | TeliaSonera in society/Bridging the digital divide, p. 34 |
| PA5. | Number and types of telecommunication products and services provided to and used by low and no income sectors of the population | TeliaSonera in society/Bridging the digital divide, p. 34 |
| PA6. | Programs to provide and maintain telecommunication products and services in emergency situations and disaster relief | TeliaSonera in society/Ready to help respond to emergencies, p. 35 |

### Access to content

| PA7. | Policies and practices to manage human rights issues relating to access and use of telecommunications products and services | Managing CR risks, p. 9 TeliaSonera in Society/Protecting children and young network users p.35 Responsibility in the marketplace/Customer privacy and network integrity p. 31 |

### Customer relations

| PA9. | Total amount invested in programs and activities in electromagnetic field research | TeliaSonera in society/Mobile devices, masts and health issues, p. 37 |
| PA10. | Initiatives to ensure clarity of charge and tariffs | Responsibility in the marketplace, p. 31 |

### Resource efficiency

| TA1. | Examples of the resource efficiency of telecommunication products and services delivered | Responsibility in the market place, p. 31 |
| TA2. | Examples of telecommunications products, services and applications that have the potential to replace physical objects (e.g., Travel by videoconferencing) | CR Performance/TeliaSonera’s environmental impacts and performance, p. 28 CR Performance/Responsibility in the market place, p. 32 |
| TA3. | Disclose any measures of transport and/or resource changes of customer use of telecommunication products and services listed above. Provide some indication of scale, market size or potential savings | Not reported. |
| TA4. | Estimates of the rebound effect of customer use of the products and services listed above and lessons learned for future developments | Not reported. |
Contacts and feedback

Feedback on this report
Receiving feedback is an important part of our corporate responsibility reporting process. It helps TeliaSonera to address environmental and social issues that matter most to our stakeholders.

We welcome feedback at csr-hq@teliasonera.com

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