About this report

This is TeliaSonera’s first Sustainability Update, covering the first and second quarters of 2015. This report is published at www.teliasonera.com/sustainability. The report is aligned with TeliaSonera’s Annual and Sustainability Report, which is prepared using the GRI G4 guidelines, and which further explains governance, policy and risk management related to sustainability. The Sustainability Update is prepared with inspiration from the GRI G4 Guideline’s Reporting Principles. Topics included in the Sustainability Update is based on the most material issues identified in the materiality analysis presented in TeliaSonera’s Annual and Sustainability Report 2014. Calculation methods are disclosed in connection with reported KPIs and data, when deemed appropriate. The Annual and Sustainability Report can be found at annualreports.teliasonera.com. Our Code of Ethics and Conduct, Supplier Code of Conduct, policies and guiding documents can be found at www.teliasonera.com/en/about-us/public-policies/.

Deloitte has conducted limited assurance of the report. See Assurance Statement for further information.
Dear Shareholders and TeliaSonera followers.

This is our first mid-year report following up on the most significant progress in our ambition to run a responsible business. This report is a focused update on the work in selected focus areas. Communicating more regularly is a way for us to increase transparency and to encourage a public discussion and review of our company. In March we will publish the full annual and sustainability report, covering all aspects of our sustainability work.

TeliaSonera is about to change. In mid-September we announced our ambition to reduce our presence in Eurasia. This was not a decision made in haste. It was taken after a strategic review, assessed in the light of our ambition to transform TeliaSonera into a new generation telco. The conclusion was clear, the Eurasian operations will require substantial time and resources to step up to the next level; this at the same time as the European operations will require our full attention to take the leaps needed to reach the desired leadership position in a rapidly changing market. Neither of these equally important tasks will be solved in a satisfactory manner unless we can focus our efforts.

To this must be added our well known problems with repatriation of cash from some countries, and the unknown ultimate beneficiaries owners in Azerbaijan and Uzbekistan. Given our focus and history we do not find TeliaSonera to be the most suitable owner of the Eurasian operations. We are confident that we can find our Eurasian customers and employees owners who are long-term committed to the region.

We are well aware of the responsibilities that lay on us as we proceed with the exit process. We will persist to foster a responsible business culture and implement our strict governance model across the region, providing a solid foundation to build upon for a new owner.

Our Eurasian markets have challenged us in many ways. Nonetheless, I think it is possible for a Scandinavian company with high ethical ambitions to do business in the region. It is not easy, and when you enter these markets it must be done with great care. There is much to be learned from TeliaSonera’s experiences in these markets through the years, and we are more than willing to share our knowledge.

In addition to this major announcement, I would also like to highlight some of the many things we have achieved during the report period:

- In April we launched “All In – for an inclusive world”, showcasing how more people can benefit from the possibilities in a digital world. You are welcome to read more at www.teliasonera.com.
- In conjunction with the Annual General Meeting, we held an open presentation on where we stand in our sustainability work.
- In April a major earthquake hit Nepal with severe consequences for people and society. Our network was partly damaged and some of our employees were injured and lost their homes. Despite the tough conditions, our Noell colleagues did an outstanding work in rebuilding the network to help the country recover.
- The anti-bribery and corruption program has given us a better understanding of the related risks in our business. During the year we have taken action to strengthen controls, train colleagues and further review third party relationships.
- When United Nations launched their new Global Goals for sustainable development, TeliaSonera made a big effort to make the goals known in all our markets. I am convinced that digital technology and connected citizens will be a vital part of reaching these high ambitions.

Stockholm, 20 October, 2015

Johan Dennelind

President and CEO
Events during the period

Our response to the Nepal earthquake

On April 25 Nepal was struck by the largest earthquake in over 80 years. Less than three weeks later another large earthquake struck the country. The earthquakes caused the death of nearly 9,000 people and injured nearly 22,000; several million were displaced. The earthquakes also caused massive damage to the already poor infrastructure, especially rural areas.

Working telecommunications networks is vital to coordinate disaster relief. According to the UN World Food Programme, which coordinates emergency telecommunications, Ncell and the other operators were highly proactive and cooperative in supporting the relief work.

TeliaSonera quickly responded, committing to short and long-term support to employees and to Nepal.

- To secure the health and safety of Ncell employees, a plane carrying medical staff and supplies was instantly sent. The medical staff stayed for several weeks, also assisting the families of Ncell employees.
- A donation of USD 1 million was made to the Prime Minister’s Disaster Relief Fund, accompanied by a donation letter clearly stating our expectations of transparency of the usage of the funds. Follow-up with local authorities on how the money is utilized will be done.
- Additionally, Ncell has committed NPR 1 billion (approximately USD 10 million) to help rebuild and develop the most affected regions over several years. NPR 50 million of this sum has been committed to short-term support of a number of smaller local organizations that work on the ground providing mainly shelter and sanitation in the affected regions. The ambition with the rest of the committed sum is to engage with national and international organizations in developing renewable energy powered community buildings. These multi-purpose buildings will support safe education for children, serve as health stations, safe shelters, clean toilets and a community space. By also extending the network and providing connectivity in these communities, it further supports digital inclusion and the All In value creation strategy.
- In the first few days, TeliaSonera employees donated over USD 35,000. The amount was doubled up by TeliaSonera, and donated to the Red Cross.

- Research foundation Flowminder (www.flowminder.org) is using anonymized user data from Ncell’s mobile network to analyze people displacements. The reports are used in regular UN situation reports to facilitate relief efforts, and have gathered significant interest from the aid community. This cooperation is a great example of how ICT has a vital role to play in supporting disaster relief and preparedness. Read more at http://www.teliasonerama/en/newsroom/news/2015/ncell-trafic-data-makes-relief-efforts-more-efficient/.

Whistle-blowing cases

A culture that enables efficient whistle-blowing relies on employees having full trust in the system. The challenge of building such a culture throughout the group is an ongoing effort, where we believe that we are now seeing real progress.

During the period, a total of 79 whistle-blowing reports came through various channels. The most common channel was the Speak-Up Line to which 62 reports were received.

The 79 reports related to 96 issues. The largest categories of issues were discrimination or harassment at the workplace (25); unethical concerns/queries or reproach to management (21); conflicts of interests, including theft (12) and unethical labour practices (10).

Most reports came from Region Eurasia, accounting for 60 reports. 14 reports came from Region Sweden, and 3 from Region Europe. 2 reports were related to TeliaSonera International Carrier in the US.

During the period, training and awareness building of whistle-blowing channels and processes was carried out as part of the anti-corruption training. The reporting process for whistle-blowing statistics was improved, partly as a response to auditors’ recommendations. This more transparent process is partly responsible for the large increase in cases reported compared to 2014. A group wide instruction on conducting internal investigation was also adopted.

The group ethics forum, which decides on disciplinary actions, was called six times during the period. Additionally a local ethics forum was established in Kcell in Kazakhstan.
“Code 2.0” – Updating the policy framework

Work with revising the entire policy framework, including rewriting the Code of Ethics and Conduct, started in the first quarter. The work is led by Group Ethics & Compliance and covers implementing a new policy management system, restructuring all policies, instructions and guidelines to fit a common template, ensuring correct and updated approval, and adding guiding documents where needed. The goal is to have a clear, more easily managed and updated policy framework.

Position and involvement in the cotton harvest in Uzbekistan

In the Annual and Sustainability Report 2014 we stated: “We continue to see our involuntary support and participation to the cotton harvest, which is not linked in any way to our business, as problematic and undesirable. In 2015, we will engage in close dialogue with human rights NGOs and other key stakeholders to define our position and approach.”

During the year, we have had an extensive dialogue with many stakeholders, including NGOs and relevant parts of the UN system, especially the ILO, the World Bank, the European Union and representatives of the Uzbek administration. We have explained to the administration that, in view of our sustainability policies, TeliaSonera is not in a position to support directly or indirectly the cotton harvest, and that the company’s ambition is to concentrate its contribution to the economic development of Uzbekistan by focusing on developing information communication and technologies.

At the time of publication, Ucell and TeliaSonera has not contributed in any way to the ongoing cotton harvest. We aim to clarify the details around e.g. requests and the acceptance of TeliaSonera’s position throughout the country’s regions after finalization of the harvest season in the coming Annual and Sustainability Report.

Enterprise risk management framework revision

As a response to the need for a more comprehensive approach, work on a new enterprise risk management (ERM) framework was launched during the period. In the new ERM framework, all risk areas will be harmonized with clear governance, roles and responsibilities and ways of working, including reporting. Special focus is being put on customer privacy and responsible procurement risks; risk areas which have emerged as increasingly critical.

Open sustainability presentation in connection with the Annual General Meeting

The room was full of analysts, institutional investors, media representatives and shareholders for the open sustainability presentation in connection with the Annual General Meeting. Our ambition was to give an honest and fair depiction of the remaining problems and inadequacies, but also to show what we had achieved so far. Presentations were given on the ownership situation in Azerbaijan, progress on our anti-bribery and corruption program, our work with freedom of expression and a first glimpse at the new value creation strategy. The presentation was filmed and is available at http://www.teilasonera.com/newsroom/news/2015/sustainability-update-150408/.

Investors’ sustainability update in May

In May we invited our institutional owners and investors to a presentation about our sustainability work. These updates, which we have conducted twice per year since 2014, are a good opportunity to openly discuss progress and remaining challenges. The discussions were focused on TeliaSonera’s ownership in Azerbaijan, and supply chain practices. The next investors’ sustainability update will be carried out in November 2015.
Anti-bribery and corruption

During the implementation of the anti-bribery and corruption (ABC) program we have unveiled systematic unethical behavior throughout Region Eurasia. We have during the period taken firm action to better understand and improve control over the risks and the contextual challenges by implementing sufficient control mechanisms, improving processes, and carrying out training and awareness building.

We have also understood that unethical business practices have been enabled by the culture within the region. This culture includes fear of retaliation and of speaking up when there are concerns. To support the cultural shift we have worked with different training and communication efforts. During 2014 almost all employees in Region Eurasia and high risk functions received face-to-face training. During the first half of 2015 almost all new employees in Region Eurasia received this training. We also initiated ethical dilemma sessions where discussion and reflection is encouraged. In addition we launched an ABC e-learning hosted by the anti-bribery organization TRACE International. As of end of the second quarter, 3,325 employees had passed this training. The target group mainly consists of persons who had not been included in the face to face training.

During the period we clarified our guiding documents related to ABC. The clarifications relate to guidance on practical matters such as:

- A requirement that free lines and “beautiful numbers” always must be part of a legitimate business deal rather than provided free of charge to selected individuals.
- Requirements on how to procure from public media.
- Requirements on due diligence and follow-up of sponsorships and donations. A group instruction on how to interact with government authorities was also issued.

A major risk exposure relates to our third parties, both on a strategic and operational level. On a strategic level we have local partners that we would not have chosen today as we do not have full visibility of who is the ultimate beneficial owner. The mitigation efforts for this are embedded into the strategic agenda of the Board of Directors and Group Executive Management. On an operational level major efforts have been put in place to mitigate risks originating from who we are doing business with, e.g. suppliers, agents, intermediaries and consultants. The most significant improvement has been the implementation of a risk based due diligence process. The process is managed by the Risk and Compliance team in Group Procurement, with the support of Group Ethics and Compliance. A centralized Due Diligence Office was established within Group Ethics and Compliance, which supports with third party database checks and ensures consistency in the search process. Read more about the work with third party management in Responsible procurement.

A specific project was set up to address the issue of third parties that have been engaged prior to the implementation of the due diligence process. To identify and understand any historical third party risk the project conducts a risk based review of vendors and payments. The aim of this project is also to build local competence on how to assess the corruption risk originating from third parties, how to deal with politically exposed persons and potential conflict of interest. We estimate that approximately 5,000 third parties will be included in the review in Region Eurasia. During the period Azercell in Azerbaijan, Kcell in Kazakhstan and Ucell in Uzbekistan were included in the ongoing review. Based on the reviews some third party relations were terminated, re-negotiated or subject to additional mitigation actions such as ABC contract clauses and training.

The announcement in September that TeliaSonera is not a long-term owner in Eurasia does not impact the scope and plan for the ABC program. We will continue to dedicate resources to this work, and are committed to support our operations as a responsible owner.

Case: Changing leadership culture in Eurasia

The Eurasian leadership summit, where the top 150 leaders from the region were gathered, took place in April. At the leadership summit, TeliaSonera’s CEO emphasized the importance of responsible business, transparency and integrity in all business decisions. In addition the regional ethics and compliance officer hosted a session on ‘Doing things right’ which is one of the four strategic pillars for the region.

During this session the leaders responded to a poll, asking whether they believe the change towards responsible and sustainable business is for real. 45 percent responded that the change is definitely for real. 11 percent felt that it will not be possible to run a responsible, sustainable business in their countries, and 29 percent were hesitant and felt it was too early to tell.
Customer privacy

In the past six months work has continued to reach our ambition to have privacy integrated as a natural part of the design of our products, services, processes and infrastructure. The main focus has been on increasing awareness as well as on implementation and risk mitigation activities.

TeliaSonera’s privacy governance model was approved at the end of the first quarter, formalizing the governance structure developed during 2014. It describes the roles and responsibilities, steering documents as well as the way we work with customer privacy, including e.g. reporting structure and an improvement focused compliance framework.

The Group Privacy Officer and a network of 18 Privacy Officers appointed in local companies and group functions coordinated and facilitated further implementation of the group privacy policy throughout operations. The privacy governance organization met in a two-day workshop in Helsinki in June and has in addition had regular bi-weekly online team meetings. In addition, a new customer privacy specialist joined in June to further strengthen the organization.

In order to improve mitigation of privacy risks related to outsourcing and have better control over our supply chain, guidelines regarding privacy in outsourcing was approved and trained to the Privacy Officers during the first quarter. This advisory guideline describes privacy requirements and risks to be considered during the different stages of outsourcing process.

Privacy and security compliance monitoring process proof-of-concept was completed and the first measurements focusing on information, IT and networks security started in June. Reporting to country and region management was strengthened.

By the end of the second quarter most local companies had completed local gap and risk assessments towards the group privacy instruction and legal requirements, as well as updated their risk based mitigation roadmaps. The assessment results and measures to address risks vary reflecting stages of development in different markets. In general the results indicated that despite of our efforts so far we must focus even more on “privacy by design” approach, deletion or anonymization of data, development of risk management process, increasing awareness and ensuring control over our supply chain.

Implementation projects and initiatives to execute local risk mitigation roadmaps and close identified compliance gaps are ongoing in local companies and group functions. In addition a group level risk-based action plan has been set to facilitate mitigation of the biggest risks including e.g. development of privacy sign-off process for projects to enhance “privacy by design”.

The Group Privacy Officer visited Ncell, Kcell, Tcell, Azercell and Geocell to support companies with gap and risk assessments as well as mitigation activity planning. Moreover, “Security health check” reviews were performed on-site in all Eurasian companies focusing on identifying and facilitating mitigation of key information security risks.

As we expect that the upcoming EU Data Protection Regulation will have a significant impact on our privacy work, regulatory development was and will continue to be closely followed on group and local level.

Case: Privacy awareness e-learning “Privacy World”

The mandatory privacy awareness e-learning training “Privacy World”, available in 11 languages, was launched gradually in 13 of 15 subsidiaries and in group functions during the period. By the end of the second quarter 44 percent of the employees had completed the training. The aim is to reach 90 percent of the employees by the end of 2015. The target of the training is to increase privacy awareness throughout the organization. The training takes about 30 minutes to complete and includes among other topics:

- Why customer privacy is important to TeliaSonera’s operations
- Key principles in the group privacy policy
- Responsibilities and the way we work with customer privacy in TeliaSonera
- Customer privacy related practical dilemmas and questions from customers’ point of view
- Who to contact, in group and locally, for more information and support

Gamification is used to make the learning experience more interesting and feedback received from employees has been positive. The e-learning roll out has been accompanied with local awareness and training activities such as intranet articles and face to face workshops and communication from the management. There is also an offline version of the e-learning available for training sub-contractors.
Occupational health and safety

During the period, the focus was on country implementation of the occupational health and safety (OHS) policy. All local companies put trained and dedicated OHS resources in place. The companies also defined clear goals and objectives as well as roles and responsibilities, and carried out OHS performance evaluations against expectations and policy requirements.

Another topic was employee engagement actions including communications, training and capability development. All employees in the local companies were given a chance to familiarize themselves with health and safety topics. Based on local needs, companies organized OHS training and events such as first aid training. Such training paid off for Azerzell, where an employee trained in first aid was able to use his skills to save the life of a colleague.

Linked to operational consistency, all major operations continued to build locally defined procedures and practices to meet group standards.

To boost accident and illness prevention we shared knowledge within the OHS network about incident reporting, investigation and root-cause analysis, risk assessment, safety processes, emergency preparedness, audits and inspections. In May, the OHS network gathered for a knowledge sharing session, and the network members also visited other companies to learn more, and organized regional OHS meetings.

Third parties remain our biggest OHS challenge in Region Eurasia. During the period, Group Procurement organized supplier audit trainings to local managers and to the whole Region Eurasia OHS network, to enable them to conduct health and safety site visits. The first supplier training was organized by Geocell in Georgia.

The outcome of TeliaSonera’s OHS KPIs for the period:

<table>
<thead>
<tr>
<th>OHS KPI performance</th>
<th>June 30 2015</th>
<th>2014</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lost time injury frequency (LTIF)</td>
<td>0.36</td>
<td>0.46</td>
<td>0.52</td>
</tr>
<tr>
<td>Sickness Absence Rate (SAR)</td>
<td>2.2%</td>
<td>2.3%</td>
<td>1.3%</td>
</tr>
<tr>
<td>Fatalities</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Although we are on the right track, especially in the Nordic countries the sickness absence rate is above target and requires more work.

Case: Ucell first with OHSAS 18001 certification

As the first of TeliaSonera’s subsidiaries, Ucell received its OHSAS 18001 certification in June. Ucell started its work already in February 2014 when it launched the project “Health & safety report”.

During the planning phase top management was involved in design and implementation. They reviewed safety issues during management meetings including topics like sick leave tendency and injury statistics, and cascaded relevant information further down in the organization. Ucell sent special information letters to all employees on how to improve health and safety.

Work premises were reviewed for safety, and action plans with corrections were prepared. For example, call center buildings have been re-designed and flammable constructions have been removed. All production processes were analyzed to ensure safe conditions. Ucell’s quality management team reviewed all processes with process owners, and ended up with several new instructions.

During the implementation step, ten employees from different departments were trained by an external expert to understand qualified health & safety requirements. Initial OHS reviews and audits were carried out in most offices together with employees.

Based on identified risks Ucell organized safety programs for all employees focused on healthcare and well-being. Information sessions to drivers and field workers were organized. Personal protection equipment and training on how to use them were provided. Ucell also organized first aid trainings and fire drills. In regions with more than 15 employees, trained first aiders and a special fire team are in place. As an outcome Ucell’s emergency readiness has been improved including evacuation in case of fire, first-aid, actions during earthquakes etc.

A system to control non-conformities has been established and documented, as well as an internal audit program to check if the OHS policy is effectively implemented and managed.
Responsible procurement

During the period we continued to develop and ensure better supplier sustainability management as well as common ways of working in all parts of TeliaSonera. With the knowledge that we have not done enough in the past, and that much work remains, we now have a higher ambition level than ever to increase control over both current and new suppliers. These six months were the most ambitious so far regarding TeliaSonera’s work to ensure a sustainable supply chain.

The new supplier code of conduct was approved in February 2015 and according to our processes it shall be included in all new contracts. An exception request process has been implemented.

A new sustainability due diligence process was implemented for Eurasian high risk suppliers. The process checks that high risk suppliers comply with our supplier code as well as to identify politically exposed persons, blacklisted, criminal or fraudulent persons and companies, and ultimate beneficial owners. Read more in Anti-bribery and corruption.

<table>
<thead>
<tr>
<th>Responsible procurement due diligence</th>
<th>June 30 2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of sustainability due diligence performed</td>
<td>309</td>
<td>33 (pilot cases)</td>
</tr>
</tbody>
</table>

As per the process introduced this year, at the start of large procurement projects the suppliers are required to complete a self-assessment questionnaire through EcoVadis, which scores the supplier’s sustainability performance. The challenge remains with suppliers, often in Eurasia, who do not want to be transparent and carry out the self-assessment.

<table>
<thead>
<tr>
<th>Supplier self-assessment in EcoVadis</th>
<th>June 30 2015</th>
<th>Dec 31 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of suppliers performed an assessment since 2013</td>
<td>492</td>
<td>311</td>
</tr>
<tr>
<td>Whereof number of suppliers that do not fulfil our requirements</td>
<td>224 (46%)</td>
<td>157 (50%)</td>
</tr>
</tbody>
</table>

During the period, three additional sustainability auditors joined the Group Procurement Risk and Compliance team. Subsequently a total of 54 audits at suppliers and sub-suppliers were carried out. The main focus for audits in 2015 is Field Service suppliers and suppliers providing IT services. A number of compliance deviations were found and are being addressed through dialogue with the respective suppliers. The main area for improvement was occupational health and safety, where over a third of the deviations were identified. The challenge remains to handle the amount of deviations, and to follow up on deviations quicker.

<table>
<thead>
<tr>
<th>Audits of suppliers and sub-suppliers</th>
<th>June 30 2015</th>
<th>2014</th>
<th>Target 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of audits performed by TeliaSonera</td>
<td>54</td>
<td>11</td>
<td>100</td>
</tr>
<tr>
<td>Number of audits performed by JAC*</td>
<td>11</td>
<td>37</td>
<td>50</td>
</tr>
<tr>
<td>Number of deviations from TeliaSonera audits</td>
<td>294 open</td>
<td>116 closed</td>
<td>135 open</td>
</tr>
</tbody>
</table>


The work environment of TeliaSonera’s suppliers and sub-suppliers shall be safe and healthy. The process for suppliers to report work-related accidents and fatalities is not yet formalized, and we are defining new routines and requirements. During the period, one work-related fatality and one serious injury while performing work for TeliaSonera were reported by two Field Service suppliers, one in Azerbaijan and one in Nepal. When we were informed we contacted the respective supplier to understand the root cause and agree on preventive measures and prevent future accidents. We also audited the supplier in Azerbaijan. The audit in Nepal was postponed due to the earthquake.

Case: Audits support supplier development

In 2014 TeliaSonera acquired a stake in Zound Industries, which provides headphones, audio speakers and device accessories. During the spring, TeliaSonera performed a one-day supplier code audit at a supplier to Zound Industries in China. During the audit a number of employee health and safety improvement possibilities were identified and discussed. Zound Industries subsequently supported the supplier in installing additional ventilation at soldering and glue stations as well as in installing a system to lift raw material.

Pernilla Ekman, CEO of Zound Industries says: “We are constantly working on developing our manufacturing, and have recently employed a Certification & Compliance Manager who will work with assessment of the performance of suppliers. We see positively on our cooperation with TeliaSonera for further progress in this area.”
Law enforcement disclosure report

This summary of TeliaSonera’s law enforcement disclosure report, previously named “Transparency report”, aims to provide insights into the extent of authorities’ collection of customer data for law enforcement as well as for emergency services in nine of TeliaSonera’s markets. The full report can be found at www.teliasoneracom/sustainability/law-enforcement-disclosure/.

This report is part of TeliaSonera’s commitment to respect freedom of expression. Operators must adhere to law enforcement requirements which may impact individual’s privacy and freedom of expression. What TeliaSonera can do is to inform of the extent of use of such surveillance, including the legal context. Therefore, besides statistics, the full law enforcement disclosure report includes information on laws providing authorities direct access to our networks and systems.

Maintaining customer privacy is of utmost importance to TeliaSonera. At the same time, TeliaSonera and its local subsidiaries – like all telecommunications companies – are obliged by legislative, administrative, license or law enforcement requirements to respond to requests and demands from authorities to disclose customer information. Such obligations are specified by law and are based on specific reasons, such as enforcing criminal law and safeguarding national security. We also provide assistance to emergency services in response to life threatening situations and emergency calls.

According to our policies and procedures, TeliaSonera discloses information to authorities only to the extent required by law or with the customer’s permission. This is a non-negotiable part of the way we operate. It should be noted however, in this context, that governments also have direct access, i.e. signals intelligence and real-time access without having to send requests to the operators. As to such direct access, operators have no insight into the extent of surveillance and cannot provide statistics.

By publishing law enforcement disclosure statistics, TeliaSonera wants to make it transparent to our customers and stakeholders to what extent authorities require access to data. Our aim is to contribute to a meaningful oversight and discussion of the proper limits of government surveillance powers.

Below, we publish statistics covering requests from the police and other authorities in Denmark, Estonia, Finland, Georgia, Moldova, Nepal, Norway, Spain and Sweden. We plan to update our reporting twice a year, to coincide with the publishing of the Annual and Sustainability Report and the sustainability update.

Our aim is to add similar statistics from additional TeliaSonera markets to upcoming reports. We therefore continue analyzing the legal situation in other geographies, aiming for transparency to the greatest extent possible in all our markets in the future. It should be noted, however, that there is a challenge in that in some countries the law governing disclosure might remain unclear. In addition, in certain countries, there might be potential risks for our employees which could arise from our commitment to increase public awareness of the legal powers and operating practices of governments in the area of surveillance, as these can be critically sensitive matters.

The table below shows the number of authority requests in each country based on a court order or other legal demand by the police or other authority.

<table>
<thead>
<tr>
<th>Authority requests*</th>
<th>January 1 – June 30 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Lawful interception</td>
</tr>
<tr>
<td>Denmark</td>
<td>2,625</td>
</tr>
<tr>
<td>Estonia</td>
<td>1,750 *1</td>
</tr>
<tr>
<td>Finland</td>
<td>2,187</td>
</tr>
<tr>
<td>Georgia</td>
<td>No statistics *5</td>
</tr>
<tr>
<td>Moldova</td>
<td>No statistics *5</td>
</tr>
<tr>
<td>Nepal</td>
<td>No statistics *5</td>
</tr>
<tr>
<td>Norway</td>
<td>1,396</td>
</tr>
<tr>
<td>Spain</td>
<td>10,230</td>
</tr>
<tr>
<td>Sweden</td>
<td>1,395</td>
</tr>
</tbody>
</table>

* As explained, direct access is not included in the statistics.
* *1 In Estonia, a direct access system is used. This figure has been provided by the Estonian authorities.
* *2 This figure includes all requests for subscription data. For other countries the corresponding figure only covers requests that are handled by authorized personnel, and automated requests that refer to a criminal case.
Several factors make it difficult to compare the statistics between countries. TeliaSonera has different market shares in different countries, which is probably reflected in the figures. Furthermore, TeliaSonera does not have knowledge of the authorities’ working methods and priorities in different countries, but the methods are likely to differ. Also, within TeliaSonera, there are different working methods in different countries. This causes issues related to completeness and accuracy of reported data. We aim to streamline these working methods and define best practice, to further improve data quality.

Also note that the figures show the number of requests from authorities, not the number of individuals that have been targeted. Not even we as the operator and provider of the information have this knowledge. Most likely, in the category of lawful interception, the number of requests is larger than the number of individuals that have been targeted. As to requests for cell tower dumps (i.e. requests that oblige TeliaSonera to disclose data about the identity, activity and location of any device that connects to targeted cell towers over a set span of time), the number of affected individuals is larger than the number of requests.

The statistics are presented in the context of surveillance and law enforcement, and therefore do not include requests from authorities that have no role in lawful interception or other services obligated for operators, such as requests from competition authorities and national regulatory authorities.

The statistics include figures from the companies in the TeliaSonera Group to where TeliaSonera owns the networks and process for law enforcement disclosure. The figures, thus, do not cover requests directed to external service operators (such as Fujitsu in Finland) except for the lawful interception category.

As regards signals intelligence and real-time direct access TeliaSonera has no insight into the extent of surveillance and cannot provide any statistics. We therefore publish, on www.teliasonera.com, a chart with links to legislation providing the authorities with such real-time direct access.

Definitions

By ‘Lawful interception’ we mean secret real-time wire-tapping and monitoring by the police and secret police, e.g. real-time access to the content of communications or traffic data (“listening in”, wire-tapping, checking who is calling who, when and for how long or access to location information). In some countries lawful interception requests may include requests for historical data. In order to avoid duplicate reporting, these are not reported separately below in ‘historical data’.

By ‘Historical data’ we mean historical traffic data, location data on mobile devices and cell-tower dumps. Traffic data relates to the use of telecommunications services, including call data records, SMS records, and internet records. These records include information such as the number of a called party, and the date, time and duration of a call. Internet session information includes the date, time and duration of internet sessions as well as email logs. This figure also includes manual emergency positioning requests by the emergency centers and police.

By ‘Emergency positioning’ we mean positioning requests in emergencies from the emergency/rescue authorities (112 and other Public Safety Answering Points). This report includes all positioning requests of automated emergency call positioning where emergency centers can directly generate a positioning request and immediately access the location of a mobile device.

By ‘Subscription data’ we mean secret numbers and information about supplementary services. Subscription data refers to details which appear on a bill, such as the customer’s name, address and service number. It can also include other information we may hold, such as a customer’s date of birth and previous address. This figure consists of requests that are either handled by authorized personnel or by an automated interface with reference to a criminal case identification number.

‘Challenged/rejected requests’ contains information on how many requests we have challenged, for example by asking for clarification, the correction of formalities or rejecting the request. All requests from authorities must be legally correct. TeliaSonera will challenge or reject any request that does not conform to the established form and process, for example when a form has not been signed or has not been sent by an appropriate sender.
Case: Sharing TeliaSonera’s tool for assessing and escalating unconventional authority requests

TeliaSonera regards unconventional requests and demands from authorities which might potentially have serious impacts on the freedom of expression in telecommunications as ‘major events’. These are requests or demands regarding for instance mass surveillance initiated by national security authorities, shutting down of networks, the blocking or restricting of access to telecom services or networks or initiatives for new lawmaking which might potentially have serious impacts on freedom of expression. This is described in greater detail in the full law enforcement disclosure report.

Within TeliaSonera, such unconventional requests and demands must be assessed and escalated in a way so that locally, regionally and group-wide TeliaSonera can seek ways to respect freedom of expression. An internal tool for assessing and escalating was elaborated and updated during 2014, since the adoption of the freedom of expression policy, based on learnings from actual major events. Contributing to industry best practice of shared learning, TeliaSonera in March 2015 published this internal tool, a Form, on www.tellasonera.com.

The purpose of sharing the tool is to support implementation and further development of industry best practice globally, to promote and respect freedom of expression in telecommunications, aiming for practical measures on the ground as to the freedom of expression of customers and users. We also aim to open up for rights holders and other stakeholders to comment on the tool to help build upon defining, together, a best possible process. Based on additional learnings from actual major events and possible input from peers and other stakeholders, we aim to publish a new version of the tool during the third quarter 2015.


Case: Transparency as to specific unconventional authority requests

TeliaSonera’s aim is to publish information on each and every unconventional request or demand (‘major event’) as soon as possible after having been notified. However, due to strict laws on confidentiality or other circumstances such as the liberty and safety of personnel, it is often difficult or impossible to report on details, or even to report at all. This is why we publish aggregated information on ‘major events’ in this report.

When it is possible to be transparent on some or all relevant information as to a specific major event. TeliaSonera does so by publishing articles on www.tellasonera.com/news.

Below are links to such articles published January through June 2015:

* Service limitations in Tajikistan;

* New legislation in Kazakhstan;

* Service limitations in Kazakhstan;

* Mandatory SMSs in Uzbekistan;

* Service limitations in Tajikistan;

* New legislation in Moldova;
Auditor’s Limited Assurance Report on TeliaSonera’s Sustainability Update

To TeliaSonera AB (publ)

Introduction
We have been engaged by the Management of TeliaSonera AB (publ) to undertake a limited assurance engagement of the TeliaSonera Sustainability Update for the period January 1 to June 30 2015.

Responsibilities of the Board of Directors and the Executive Management for the Sustainability Update
The Board of Directors and the Executive Management are responsible for the preparation of the Sustainability Update in accordance with the applicable criteria, as explained on page 2 in the Sustainability Update, and are the parts of the Sustainability Reporting Guidelines (published by The Global Reporting Initiative (GRI)) which are applicable to the Sustainability Update, the materiality analysis for the annual Sustainability Report 2014 as well as the accounting and calculation principles that the Company has developed. This responsibility also includes the internal control relevant to the preparation of a Sustainability Update that is free from material misstatements, whether due to fraud or error.

Responsibilities of the auditor
Our responsibility is to express a conclusion on the Sustainability Update based on the limited assurance procedures we have performed.

We conducted our limited assurance engagement in accordance with RevR 6 Assurance of Sustainability Reports issued by FAR. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Update, and applying analytical and other limited assurance procedures. The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement conducted in accordance with IAASB’s Standards on Auditing and Quality Control and other generally accepted auditing standards in Sweden. The procedures performed consequently do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance conclusion.

Our procedures are based on the criteria defined by the Board of Directors and the Executive Management as described above. We consider these criteria suitable for the preparation of the Sustainability Update.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

Conclusion
Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainability Update, is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Executive Management.

Stockholm 20 October 2015

Deloitte AB

Jan Palmqvist

Authorized Public Accountant

Didrik Roos

Authorized Public Accountant
TeliaSonera in brief

TeliaSonera has its roots in the Nordic telecom market and holds strong positions in the Nordic and Baltic countries, Eurasia and Spain. Our core business is to create better communication opportunities for people and businesses through mobile and broadband communication services.

For more information about TeliaSonera, see www.telianera.com.

Questions regarding the report

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