



20%

Our target is to reduce our CO₂ emissions per subscription by 20 percent by 2020.



Content

Summary	3	Sustainability in supply chain	16
Strategy and priority action plan	4	Group Environmental targets	17
Stakeholder engagement	6	Sustainability in Eurasia	18
Sustainability risks	8	GRI Report 2012	22
Human Rights	11	Auditor's Report on review of Sustainability Report	42
Anti-corruption work	14	Contacts	44

United Nations Global Compact Principles

TeliaSonera's Global Compact Process is shown in the below index. Our statement on continuing support to Global Compact is stated in CEO review (See GRI Report 1.1) and additional information on governance related to the topics of all ten Principles can be found in GRI Report 4.1-10.

Principle	Human rights	Actions taken to implement	Outcomes
1	Support and respect the protection of internationally proclaimed human rights	See pages: 8-16 and 18-21 Disclosure on Management Approach (DMA): Product Responsibility, Human Rights; HR4; PR1	See pages 8-13 and 16 LA4; LA6; LA13; HR4; PR2
2	Make sure that they are not complicit in human rights abuses	See pages: 8-16 and 18-21 DMA: Human Rights; HR4	See pages 8-13 and 16
Labour			
3	Uphold the freedom of association and the effective recognition of the right to collective bargaining	See pages: 8-10 and 14-16 DMA: Human Rights, Labor practices and decent work	See pages: 8-9 and 14-16 LA4; LA5
4	Uphold the elimination of all forms of forced and compulsory labor	See pages: 8-10 and 14-16 DMA: Human Rights; Labor practices and decent work	See pages: 8-9 and 14-16
5	Uphold the effective abolition of child labor	See pages: 8-10 and 14-16	See pages: 8-9 and 14-16
6	Uphold the elimination of discrimination in respect of employment and occupation.	See pages: 8-10 and 14-16 DMA: Human Rights, Labor practices and decent work; EC7; HR4	See pages: 8-9 and 14-16 LA2; LA13; HR4
Environment			
7	Support a precautionary approach to environmental challenges	See page: 17 GRI 4.11; DMA: Economic, Environment; EN18; EN26	EC2; EN18
8	Undertake initiatives to promote greater environmental responsibility	See page: 17 DMA: Environment; EN6; EN18; EN26	EN3; EN4; EN5; EN16; EN17; EN18; EN22; EN23; EN28; PR4
9	Encourage the development and diffusion of environmentally friendly technologies	See page: 17 DMA: Environment; EN6; EN18; EN26	EN5; EN18
Anti-corruption			
10	Work against corruption in all its forms, including extortion and bribery	See pages: 6-10; 14-15 and 18-21 DMA: Society	SO3; SO6

Summary



TeliaSonera is committed to the United Nations' Universal Declaration of Human Rights and the core conventions of the International Labour Organization. In 2012, the TeliaSonera Board committed to follow the OECD Guidelines for Multinational Enterprises. All these commitments are incorporated into our Code of Ethics and Conduct. This policy document covers TeliaSonera and all majority owned companies. In February 2013 we also became a signatory to the United Nation's Global Compact.

TeliaSonera's sustainability work involves:

- respecting human rights,
- complying with ethical business practices in all markets,
- improving the protection of customer privacy,
- ensuring environmental and social sustainability along our supply chain,
- taking care of the well-being of our employees,
- reducing our environmental footprint and those of our customers,
- protecting children online, and
- supporting research related to exposure to electromagnetic fields

Our annual Employee Commitment Survey (ECS) in 2012 again showed the high level of commitment of our employees, with an overall score of 74 (74) out of a maximum possible 100. The survey response rate of 87 percent was the highest ever. This high level of participation enables us to utilise the survey findings as a basis for improvements.

In 2012 TeliaSonera spent SEK 73 million on various social projects. About half of these projects were realised in our Eurasia region. Almost a third of these funds were used for philanthropic and charitable work.

In January 2013 our Group Management approved the first set of Group-wide environmental targets, designed to improve our environmental performance. During 2013 we will draw up an action plan setting out how these targets will be integrated into our business plan. In 2012 our total CO₂ emissions amounted to 303,813 (212,538) metric tonnes (scope 1 and 2).

During 2012 we strengthened our operational management of sustainability risks. We conducted a detailed risk assessment to ensure that we have adequate policies and procedures in place for managing material risks, and to identify areas for improvement.

Together with the Danish Institute for Human Rights we conducted a Human Rights Impact Assessment (HRIA) to analyse risks that could lead to our involvement in human rights violations.

TeliaSonera is a founding member of the industry dialogue established among telecom companies to develop guiding principles on actions to be taken when their operations might be used for violations of freedom of expression and privacy. These principles are planned to be published in March 2013, after which we will start work on their implementation.

During 2012 TeliaSonera prepared a new Group Anti-Corruption Policy, which was finalized in February 2013, applying comments and suggestions provided by Transparency International. To further enhance our anti-corruption and human rights work and further ensure compliance with our Code of Ethics and Conduct, we also produced a new e-learning tool in 2012 for use from 2013. All TeliaSonera employees will receive training.

In 2012 TeliaSonera was criticized in the Swedish media and elsewhere for allowing governments to use our networks to infringe human rights related to freedom of expression and privacy, and for complying with national governments' orders to temporarily shut down our networks. There were also unsubstantiated allegations of involvement in corruption and money laundering. The most serious allegations were related to our investments in licenses and frequencies in Uzbekistan from 2007 onwards. In response to these criticisms our Group Management has initiated a prioritized sustainability action plan focusing on human rights, and giving special attention to freedom of expression, privacy issues and anti-corruption work.

To ensure that we can provide our stakeholders with a credible, transparent and balanced view of our sustainability issues, we have decided to have our annual sustainability reports independently verified. This is the first such externally verified TeliaSonera sustainability report. In 2012 we also adopted a new sustainability data gathering system to streamline our environmental and social data collection and facilitate our sustainability reporting.

This report complies with the Global Reporting Initiative's G3.1 Guidelines and telecommunications sector supplement. TeliaSonera has assessed itself at GRI Application Level B+. This application level has been checked by a third party, PricewaterhouseCoopers AB.

Strategy and priority action plan

We strive for sustainability throughout the value chain, and aim to be fully accountable to our stakeholders. We use the term sustainability as an umbrella term covering all our efforts to realise our economic, environmental and social responsibilities through responsible business practices. Our sustainability work involves ensuring environmental and social sustainability along the supply chain, respecting human rights, complying with ethical business practices in all markets, improving the protection of customers privacy, taking care of the well-being of our employees, reducing our own carbon footprint and those of our customers, protecting children online, and supporting research related to exposure to electromagnetic fields.

TeliaSonera is committed to the United Nations' Universal Declaration of Human Rights and the core conventions of the International Labour Organization. In 2012, Board of TeliaSonera made a commitment to follow the OECD Guidelines for Multinational Enterprises.

In February 2013 we also became the signatory to the United Nation's Global Compact. Five TeliaSonera Group companies, TEO and Omnitel in Lithuania, Kcell in Kazakhstan, Geocell in Georgia and Moldcell in Moldova, are signatories of their national Global Compact Networks. Our associated company Turkcell in Turkey has also signed the UN Global Compact.

All these commitments are incorporated into our Code of Ethics and Conduct. This policy document covers all companies in which we have majority ownership control.

According to a self-assessment, conducted during autumn of 2012, TeliaSonera's sustainability management follows the guidance provided by ISO 26000 Guidance on Social responsibility.

Taking a long-term approach

We aim to ensure that our sustainability management practices are constantly updated on present and future issues and developments, and that our stakeholders

“According to a self-assessment, conducted in the autumn of 2012, TeliaSonera's sustainability management follows the guidance provided by ISO 26000 Guidance on Social responsibility.”

can play a pro-active role. Our vision 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 sustainability performance to our shareholders, financiers, analysts and other interested stakeholders.

TeliaSonera's short-term and long-term priorities will be reviewed by Group Management after the findings of our Human Rights Impact Assessment become available in March 2013.

Progress on priority action plan

The following table and pages 6-18 describe the progress we have made with the priority action plan we set for 2012. These priority areas are the same as those listed in our Corporate Responsibility Report for 2011. In response to serious criticism in relation to protecting privacy and freedom of expression in Eurasia, Group Management have reinforced and further prioritized this action plan.

Teliasonera's sustainability priority action plan and long-term ambition

Actions	Achievements in 2012	Short-term actions for 2013	Long-term ambition
Anti-corruption work: Continue to implement TeliaSonera's Code of Ethics and Conduct across our operations.	<ul style="list-style-type: none"> Development of a new Group-wide e-learning tool for the Code New Group Anti-Corruption policy prepared in 2012 and approved in early 2013 Started dialogue with Transparency International on anti-corruption 	<ul style="list-style-type: none"> Roll-out the e-learning tool across the company Implementation of the Group Anti-Corruption policy The dialogue with Transparency International will continue 	All TeliaSonera employees should be well aware of our Code of Ethics and Conduct and respect it throughout their work.
Enhance our Supplier Code, strengthen our risk-based supplier assessment process, and improve related tools.	<ul style="list-style-type: none"> Supplier Code revised TeliaSonera joined the Joint Audit Cooperation (JAC), which works to foster the effective auditing of high-risk suppliers. 	<ul style="list-style-type: none"> A supplier portal will be developed to communicate and support our suppliers in the implementation of the Supplier Code. Continue to improve audit efforts through JAC and improving our own audit capacity 	All main suppliers should respect and observe TeliaSonera's Supplier Code. A comprehensive monitoring system should be in place to enable suppliers' performance to be followed effectively.
Improve the evaluation of sustainability risks in investment decisions and integrate sustainability risk assessment in business reviews.	<ul style="list-style-type: none"> Sustainability risks taken into account in due diligence processes Launch of a process that will integrate the reporting of sustainability risks into operational risk framework. 	<ul style="list-style-type: none"> Effective assessment of sustainability risks as part of due diligence processes Reporting of sustainability risks to the Board/Audit Committee . 	Sustainability risk evaluations should be an integral element of all major investment decisions. Sustainability risks should be reported to Group Management and the Board as part of risk reporting.
Improve Group-wide sustainability reporting.	<ul style="list-style-type: none"> Implemented new sustainability data gathering system Sustainability Report 2012 externally verified 	<ul style="list-style-type: none"> Implementation of recommendations from verification as appropriate Continue improving the reporting process and data quality 	TeliaSonera's Sustainability reporting continues to provide reliable, balanced and transparent information on our sustainability performance.
Improve understanding across the Group of our Human Rights impact, based on the UN Guiding Principles on Business and Human Rights.	<ul style="list-style-type: none"> Human Rights Impact Assessment (HRIA) conducted for the whole Group. Industry guiding principles related to freedom of expression and privacy finalized 	<ul style="list-style-type: none"> Development of a mitigation plan for negative human rights impacts on the basis of the findings of the HRIA Start the implementation of the new industry principles 	TeliaSonera should have a full understanding of the human rights impacts of our operations, respect human rights, provide remedy and pro-actively work to reduce any negative impacts along the value chain.
Implement the Group Privacy Policy.	<ul style="list-style-type: none"> Implementation plan approved and ongoing. Continuous risk analysis and prioritization. 	<ul style="list-style-type: none"> Implementation work continues with business area and group IT resources in place. 	TeliaSonera has a robust process in place to protect privacy, taking technological and business developments into account, as well as user expectations.
Work towards a low-carbon society: by minimizing our climate impacts and enabling our customers to mitigate theirs.	<ul style="list-style-type: none"> New Group-wide environmental targets approved 	<ul style="list-style-type: none"> Establish an operational plan for these targets Start implementing the plan 	Our Group-wide environmental targets should be achieved by 2020. Ambition level reviewed annually.
NEW ACTION: Intensify dialogue with all external stakeholders	<ul style="list-style-type: none"> Improved procedures for proactive and transparent communications on sustainability matters 	<ul style="list-style-type: none"> Continue developing a strategy to improve engagement with stakeholders 	TeliaSonera will continue to pro-actively engage with key stakeholders and provide accessible, reliable, balanced and transparent information on our sustainability work.

In our 2011 report one of the listed sustainability actions concerned protecting children online. As the above table reflects the prioritized action plan due to the criticism. This target is handled outside the table. Related targets have been set for the ICT industry across Europe. Within TeliaSonera, we have participated in the work of the EU CEO Coalition called the Internet a

better place for kids. The broad Coalition has defined actions within the following five areas; takedown of child sexual abuse material, reporting mechanisms, content classification, parental controls and age-appropriate privacy settings. Protecting children continues to be an important area within our sustainability work.

Stakeholder engagement

In 2012, TeliaSonera was criticized in the Swedish media and elsewhere for allowing governments to use our networks to infringe human rights related to freedom of expression and privacy. We were also criticized for complying with national governments' orders to temporarily shut down our networks. This criticism focused on TeliaSonera's operations in Eurasia, and our associated company Turkcell's operations in Belarus.

Our main shareholders and some of our corporate customers also expressed their concern related to the sustainability issues highlighted in media.

Freedom of expression and privacy are fundamental rights that are particularly relevant in telecom operators' relations with their customers. It is increasingly important for TeliaSonera to be able to respect these rights in situations where national authorities are imposing greater demands concerning their scope to monitor telecommunications and internet traffic in their power to safeguard national security and combat crime. Read more about our Human rights work on page 11.

In 2012, TeliaSonera was additionally accused in the media of involvement in corruption and money laundering. The most serious allegations relate to our investments in licenses and frequencies in Uzbekistan in 2007 and 2010. Read more on the media criticism at Sustainability in Eurasia on page 18.

This media criticism and related contacts with key stakeholders have clearly shown which sustainability issues we should currently consider as most important for our stakeholders and our own business. For this reason we did not conduct any separate materiality analysis during 2012.

The most important topics for our stakeholders are:

- Human rights: freedom of expression and privacy, with a special emphasis on our Eurasia region
- Anti-corruption work
- Sustainability along the supply chain
- Assessing sustainability risks as part of major investment decisions and operational risk management

Read more about our key stakeholders and key sustainability impacts at www.teliasonera/en/sustainability.com.

Intensifying dialogue with stakeholders

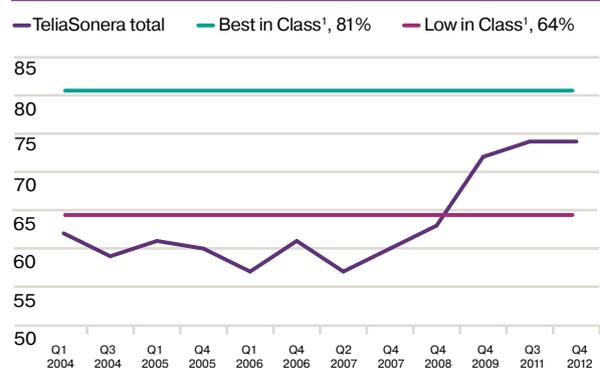
In 2012 we have strived to make our dialogue with stakeholders more pro-active. At TeliaSonera's external website we have opened a newsroom that regularly provides information for all of our stakeholders on how we are progressing with our sustainability priority actions. The newsroom also highlights international developments related to human rights, we provide information on major shutdowns of local networks and content, wherever possible within the limitations of confidentiality regulations. (www.teliasonera.com/en/newsroom/hot-topics/sustainability/)

During 2012, TeliaSonera has maintained sustainability related dialogues with external stakeholders including corporate customers, owners and investors, socially responsible investment (SRI) rating agencies, ICT and telecom peers, NGOs, and many authorities and regulatory bodies.

We conducted the Employee Commitment Survey (ECS) again in 2012. The ECS results support our business by highlighting the areas where we can improve our performance. The survey has been conducted since 2004 and the results give us a good picture of the progress we have made and where there is room for improvement on all levels in the organization.

The result has improved year by year since 2007. The score for 2012 ended up on the same high level as last year, 74 out of maximum possible 100. The response rate of 87 percent was the highest so far. This high level of participation enables us to utilize the survey results as a basis for improvements.

EMPLOYEE COMMITMENT SCORE (ECS)



¹ Source: TNS Sifo, IT-telecom studies 2008–2010

Business area (BA) Mobility Service's score ended up on 72 (72), BA Eurasia achieved 84 (86), BA Broadband Services scored high 73 (69), Business Services 72 (67), Finland 71 and Group Functions 69 (66).²

Each Business area has subsequently decided what kind of actions need to be taken in response to these findings.

We also monitored our customer satisfaction in 2012 using Extended Performance Satisfaction Index (EPSI) survey. Read more on page 38.

Other important contacts with stakeholders during 2012 included:

- Participation in the EU CEO Coalition's initiative to make the internet a better place for children, and the parallel scheme Safer Use of Connected Devices and Online Services by Children and Young People in the EU (see page 37).
- Active participation in an industry dialogue on freedom of expression and privacy (See page 12).
- Participation in dialogues covering issues of interest regarding internet freedoms, including; the Stockholm Internet Forum's Internet Freedom for Global Development in April 2012; A high-level round-table on internet freedoms organized by EC DG Connect in Brussels in September 2012; The Internet Governance Forum (IGF) in November 2012 in Baku, Azerbaijan with the main theme 'Internet Governance for Sustainable Human, Economic and Social Development'
- We are also active members of a number of organizations, for example Group Speciale de Mobile Association (GSMA) and the European Telecommunications Network Operator's Association (ETNO), that aim to influence public policy on sustainability issues.

Read more on our collaboration within the ICT sector at www.teliaSonera.com/en/sustainability

Swedish and Finnish state ownership

At the end of 2012, TeliaSonera had 553,631 shareholders, primarily in Sweden and Finland. Shareholdings outside these two countries amounted to 22.4 percent compared to 18.2 percent a year ago. With their respective shareholdings of 37.3 percent and 11.7 percent, the Swedish and Finnish States are the largest shareholders. Other influential shareholders include a number of major institutional investors and funds.

Both the Swedish and Finnish States prioritize sustainability issues, and strive to increasingly exercise their ownership influence in such contexts.

The Swedish and Finnish governments both expect companies in which they have ownership to report on their sustainability work using the Global Reporting Initiative (GRI). The Swedish government also requires these companies to set a good example on sustainability issues and to define sustainability strategies together with key performance indicators.

² Last year's result presented in brackets, Finland included in Mobility, Broadband and Business Service result last year.

CHILDHOOD

WORLD CHILDHOOD FOUNDATION

In 2012 TeliaSonera and Childhood agreed on a partnership. Childhood is an international foundation whose focus is helping children at risk of abuse and exploitation. They fund local projects and work globally for children's right to a safe and happy childhood. See more on www.childhood.org. TeliaSonera will support Childhood by funding projects mainly in Nepal. TeliaSonera is a co-founder of Childhood.

Sustainability indexes and recognitions

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

In 2012 TeliaSonera continued to be included in the following indexes:

- FTSE4Good (www.ftse.com): TeliaSonera has been included in this index since 2009. FTSE4Good analyzes focus on sustainability practices related to human rights, labor rights and corruption.
- Carbon Disclosure Project (www.cdproject.net): TeliaSonera has participated in this global investor initiative since 2004. In CDP's Global500 for 2012 TeliaSonera was ranked 14th 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.
- Folksam Index for Corporate Responsibility 2011 (www.folksam.se): This index is only compiled every second year. 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.
- 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. They focus on companies' environmental, social and/or governance management performance. In 2012 TeliaSonera shares qualified for inclusion in all three of these indexes.

Newsweek's annual Green Rankings for 2012 also included companies located outside the US. TeliaSonera was ranked 123 out of 500 companies. (www.thedailybeast.com/topics/green-rankings.html)

Sustainability risks

Risk management is an essential part of our work. In order to safeguard our business it is crucial that we are aware of any risks that might harm our operations, our customers or our brand. We must also be able to prioritize and effectively manage these risks. TeliaSonera emphasizes the management of risks as part of daily operations. The framework, processes applied in this work and main risks, including sustainability risks, are described in the risks part of the Corporate Governance Statement and in the Notes to the Financial Statements in Annual Report 2012 on pages 38 and 103.

Managing sustainability risks is an important part of TeliaSonera's operations. We aim not only to focus on negative risks, but also to acknowledge that the successful management of risks can create opportunities. A structured approach towards sustainability risks enables us to protect and increase our company's value while contributing to society at large.

Risk Management

Transparency International's (TI) research on governance practices across industries in 2011 indicates that issues related to human rights and corruption pose a high risk to the telecom industry. The main risks include: complicity in human rights violations due to 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. TI's findings also mention risks related to illegitimate financial transactions or inappropriate political contributions to government parties or the authorities in connection with license negotiations. Labor rights may also represent risks in some areas where TeliaSonera operates. Read how we work to mitigate human right and corruption risks on pages 11-15.

Risks along our supply chain

We need to ensure that ethical business practices, environmental targets, human rights and labor laws are all respected by our suppliers. TeliaSonera's centralized procurement function principally makes purchases from large global suppliers. Risks along the supply chain and relating to procurement are managed through our Group Sourcing policy, standardized contracts and our Supplier Code, as well as through operational controls.

In 2013 we will continue to improve audit efforts, partly through joining the Joint Audit Cooperation (JAC) and improving our own audit capacity.

Read more on sustainable supply chain management on page 16.

Associated companies and joint ventures

Some of TeliaSonera's activities, mainly outside the Nordic region, are conducted through associated companies, such as Turkcell Illetisim Hizmetleri A.S. in Turkey, OAO MegaFon in Russia, and Lattelecom SIA in Latvia. Our influence over the conduct of these businesses is limited to Board representation, as TeliaSonera does not have a controlling interest in them or the companies they in turn own, such as Life in Belarus owned by Turkcell. This means we must rely on the established risk management structures within these companies. We nevertheless strive to use our board presence and active ownership practices to promote ethical business practices, respect for human rights, and good governance. For further information see Annual Report 2012, Associated Companies and Joint Ventures Note C35, page 104.

Protecting children online

Children and youngsters are active users of our services. Even though they are part of the 'online generation', children are not always aware of the potential for various kinds of abuse. We have taken special care to protect children from risks related to inappropriate content. For more information see page 37.

Risks relating to the environment, health and safety

In the telecom industry we are in an excellent position to take advantage of great opportunities to help create a low-carbon economy by promoting our services. At the same time, we must manage risks relating to the environmental impact of our own operations.

Concerns have been expressed that the electromagnetic signals from mobile handsets and base stations may pose health risks and interfere with the operation of electronic equipment. For more information see page 37.

Labor laws

According to our own risk assessment, Business area Eurasia is considered to have the highest risks related to freedom of association and collective bargaining, as well as forced and compulsory labor. In these countries freedom of association and collective bargaining may be restricted by national governments. If a country has ratified the core conventions of the International Labour Organization (ILO), this at least signifies a public commitment to respect labor rights, such as freedom of association and collective bargaining. Yet this is not a guarantee that these rights will be fully realized.

Countries with low levels of human development are impoverished and have low educational standards. This increases the risk of various rights violations, particularly when it comes to child labor. According to United Nations Human Development Index, Nepal is the only country with a low level of human development where TeliaSonera currently operates.

TeliaSonera complies with the United Nations' Human Rights declaration and the Core Conventions of the International Labour Organization (ILO). We have the same labor rights for every TeliaSonera employee, wherever they work. These basic labor standards are also part of our sustainability requirements for our suppliers.

Strengthening operational risk management

During 2012 we strengthened the operational management of sustainability risks. We have conducted a detailed risk assessment in order to ensure that we have adequate policies and procedures in place for managing material risks. Based on this risk assessment and an additional Human Rights Impact Assessment (see page 12) we have identified specific areas for continuous improvement.

Three areas will form the main focuses for our risk management and compliance work in 2013:

- Human rights with special focus on privacy and freedom of expression
- Anti-corruption
- Supply chain management

Although we have extensive policies and procedures in place to manage material risks, it is essential to ensure that these policies are effectively implemented throughout the Group. See TeliaSonera's Annual Report 2012 page 30. Corporate Governance Statement .

To strengthen our enforcement of business practices and management of sustainability risks, we have formalized our ethics and compliance program as part of our Enterprise Risk Management (ERM) framework. This program should continuously monitor how agreed policies and procedures are understood and put into practice in daily operations. Progress on the program will be reported to both the Chief Risk Officer and the Audit Committee on a quarterly basis.

Sustainability as part of major investment decisions

The analysis of sustainability risks related to major investments should be strongly linked to the investment process, and particularly into feasibility studies.

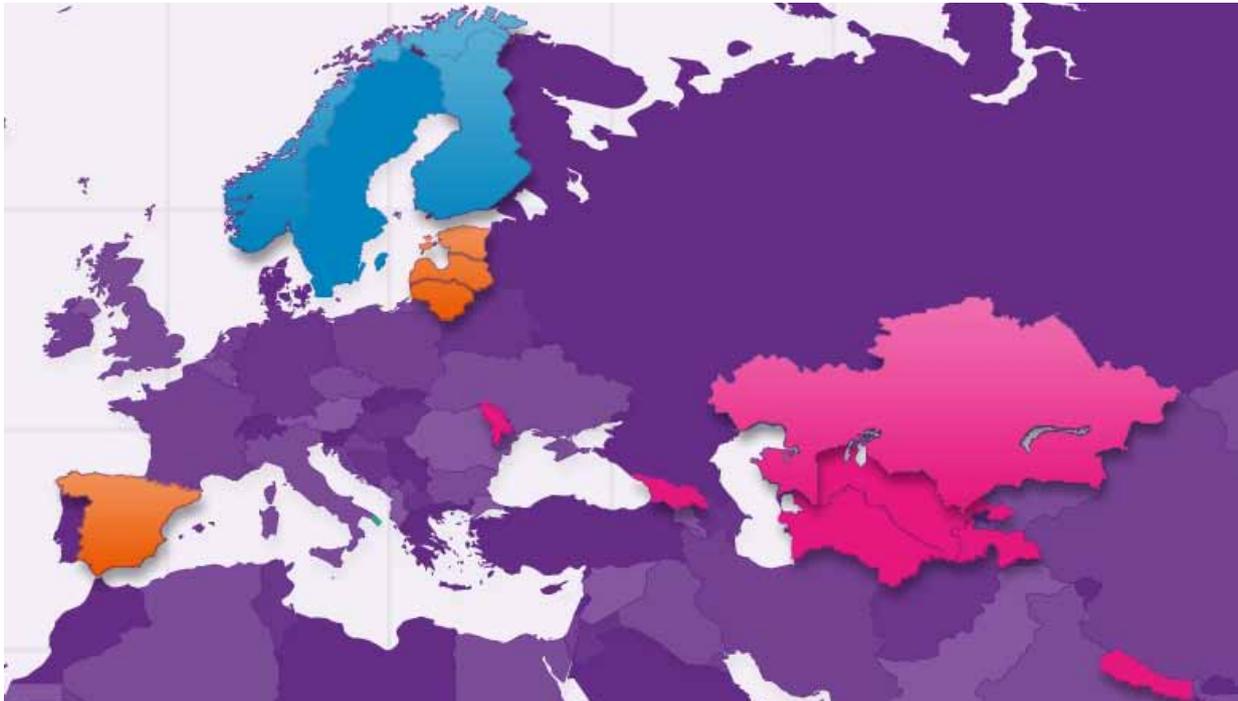
TeliaSonera has resolved to improve sustainability risk evaluation for investments related to mergers and acquisitions (M&A). Our most recent acquisition in a new country was made in 2008 when the company entered Nepal. During the years 2011 and 2012 several sustainability risk evaluations were run as part of the pre-feasibility stages of proposed M&As. Some of the M&A projects have since been discontinued, but others remain under consideration.

The sustainability risk evaluations particularly focused on human and labor rights issues, corruption and supply chains. One aim was ultimately to test whether TeliaSonera could or should go ahead with the investment altogether from a sustainability perspective. In cases where it would be possible to proceed, it will be important to engage with national and international stakeholders in order to improve our overall understanding of possible mitigation options and plans.

During 2013 TeliaSonera will formalize this process as part of the revision of our M&A guidelines. If any M&A processes proceed in the meantime, sustainability risk evaluations will form an integral part of the related project.

Human Rights and Business Practice risk map
 Compared to risk assessment presented in the Corporate Responsibility report 2011 there are no changes. The only change is that Transparency Inter-

national has changed its corruption perception index scoring from 2011. In 2012 scores are given between 100–0, where <50 is considered high risk and >50 low risk.



NORDIC COUNTRIES ●
Democracy level¹:
 Free: Denmark, Finland, Norway, Sweden
Corruption Index²:
 Low risk: Denmark, Finland, Norway, Sweden
Human Development Index³:
 Very high level: Denmark, Finland, Norway, Sweden
ILO Core Conventions⁴:
 All four countries have ratified the eight ILO Core Conventions

BALTICS, SPAIN ●
Democracy level¹:
 Free: Estonia, Latvia, Lithuania, Spain
Corruption Index²:
 Low risk: Estonia, Latvia, Spain
 High risk: Lithuania
Human Development Index³:
 Very high level: Estonia, Latvia, Lithuania, Spain
ILO Core Conventions⁴:
 All four countries have ratified the eight ILO Core Conventions

EURASIA ●
Democracy level¹:
 Not free: Azerbaijan, Kazakhstan, Tajikistan, Uzbekistan
 Partly free: Georgia, Moldova, Nepal
Corruption Index²:
 High risk: Azerbaijan, Georgia, Kazakhstan, Moldova, Nepal, Tajikistan, Uzbekistan
Human Development Index³:
 High level: Azerbaijan, Georgia, Kazakhstan
 Medium level: Moldova, Tajikistan, Uzbekistan
 Low level: Nepal
ILO Core Conventions⁴:
 Azerbaijan, Georgia, Kazakhstan, Moldova and Tajikistan have ratified the eight ILO Core Conventions
 Nepal and Uzbekistan have not ratified the ILO 87 Convention on Freedom of association

ASSOCIATED COMPANIES:
MegaFon⁵
Democracy level¹:
 Not free: Russia, Tajikistan
Corruption Index²:
 High risk: Russia, Tajikistan
Human Development Index³:
 High level: Russia
 Medium level: Tajikistan
ILO Core Conventions⁴:
 Russia and Tajikistan have ratified the eight ILO Core Conventions
Turkcell⁶
Democracy level¹:
 Not free: Belarus
 Partly free: Turkey, Ukraine
 Free: Germany
Corruption Index²:
 Low risk: Germany
 High risk: Belarus, Turkey, Ukraine
Human Development Index³:
 Very high level: Germany
 High level: Belarus, Turkey, Ukraine
ILO Core Conventions⁴:
 All four countries have ratified the eight ILO Core Conventions

¹ Democracy levels are rated by Freedom House and are available www.freedomhouse.org
² Corruption perception indexes are compiled by Transparency International and available at www.transparency.org.
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
⁵ MegaFon operates also in Abkhazia and South Ossetia.
⁶ Turcell operates also in Turkish Republic of Northern Cyprus

Human rights

Issues related to human rights pose a high risk to the telecom industry, including TeliaSonera. There are human rights hot spots such as, lawful interception, positioning, network shutdowns, content-blocking, stored personal data and license requirements.

Our human rights and business practice risk map (see page 10) summarizes the main human rights and business practice risks in countries where TeliaSonera operates. Human rights are part of TeliaSonera internal whistle-blowing scheme.

Freedom of expression and privacy – the international framework

The telecommunications industry provides tools and services that can significantly promote freedom of expression, even in countries where such freedoms are limited.

The international political and legal framework for human rights issues is complex. Freedom of expression and privacy are essential rights that have a particular bearing on telecom operators' business. It is increasingly important for TeliaSonera and other operators to be able to respect these rights in situations where national authorities are imposing demands concerning their scope to monitor telecommunications and internet traffic in order to safeguard national security and combat crime.

There is a risk that national laws and regulations on such issues as intercepting communications or shutting down networks could be defined in ways that enable violations of human rights. This is a

“Freedom of expression and privacy are essential rights that have a particular bearing on telecoms operators' business.”

challenge not only for TeliaSonera, but for the entire global telecommunications industry. TeliaSonera has published a document Freedom of expression and Privacy - the international framework (www.teliasonera.com/en/newsroom) to inform our external stakeholders about how the legal frameworks are designed.

These are the conditions under which TeliaSonera must work on human rights issues, focusing on freedom of expression and privacy issues on several levels, both within our own operations and in dialogue with other telecoms companies and other stakeholders.

Internal processes and transparency improvements

During 2012 we adopted a number of internal measures to ensure that our actions are well-considered. We have also improved the transparency and accuracy of the related information provided.

TeliaSonera's management maintains contact with the relevant public authorities wherever we operate, and we have systems in place to assure that the formal processes are used. We also have the possibility and



the routines to escalate the legal analysis of the major requests by the public authorities.

Major requirements (including public authorities' decisions to shut down all or parts of networks) are now assessed at Group management level instead of locally. In cases where we question whether the request is based on law and whether due processes have been followed, TeliaSonera can take a number of actions: appealing against decisions; engaging in dialogue with the local authorities; or even using diplomatic channels to question decisions.

Particularly challenging situations may arise when public authorities' requests do follow the existing local regulations, but it is clear that the required actions could violate human rights. Wherever possible, TeliaSonera will in such cases publicize any major network shutdowns ordered by the public authorities.

During 2012 TeliaSonera has provided information about restrictions of local network and content at www.teliasonera.com/en/newsroom when this has been possible within the scope of confidentiality regulations.

TeliaSonera like all companies has to adhere to national regulations in every market where we operate. At the same time we must also respect human rights. For this reason TeliaSonera only provides authorities with information when this is required by law, in response to appropriate formal requests. Procedures related to the proper handling of lawful interception requests, including requests from the duly appointed authorities, are key to TeliaSonera.

Human Rights Impact Assessments (HRIA)

In 2012, TeliaSonera worked with the Danish Institute for Human Rights (DIHR) to support and review an internal analysis in majority-owned operations of negative impacts that could lead to involvement in human rights violations. As a major human rights institution DIHR plays an important role in the development and implementation of human rights nationally and internationally. DIHR will provide TeliaSonera with an independent expert review of the result of the HRIA. DIHR will also assess the first stages of the implementation of TeliaSonera's consequent mitigation plan.

HRIA identifies and predicts responses to the potential human rights impacts of business operations. It consists of an initial fact-finding phase, followed by a mitigation plan. The HRIA covered all our majority owned companies, with the exception of TeliaSonera International Carrier (TSIC) where the HRIA covered six countries.

The assessments were conducted using a questionnaire developed by DIHR with a range of scenarios and questions related to human rights relevant to TeliaSonera's operations. The questionnaire includes a range of compliance questions and indicators on issues including privacy, freedom of expression, the protection of children on-line, due diligence on the aforementioned

three areas, employment practices, community impact, including corruption issues, and responsible supply chain management.

DIHR and TeliaSonera have jointly developed the tool tailored to TeliaSonera's human rights risk profile, particularly elaborated on freedom of expression, privacy issues and the protection of children. The tool has been benchmarked to the United Nations Guiding Principles on Business and Human Rights and may be made available for other companies in the ICT sector to apply.

HRIA was concluded in February 2013 and did not raise any major new, or previously unknown, sustainability risks. Rather, the results indicate that the main areas which need continued focus are freedom of expression, privacy protection and anti-corruption. Therefore, we will continue to focus on and strengthen activities in these areas. Compliance with the Group Privacy Policy will have to be further reinforced and we will develop more specific instructions to support our zero-tolerance against corruption. Systematic training of all employees on the practical implementation of policies and guidelines will also be an important part of the mitigation plan.

Industry dialogue on telecommunications, privacy and freedom of expression

The Industry Dialogue on Human Rights was initiated during the summer of 2011, made up of telecommunications operators and suppliers, to explore the interactions and boundaries between the duty to protect and the responsibility to respect freedom of expression and privacy.

In 2012, participating companies jointly developed broadly accepted principles to ensure respect for privacy and freedom of expression in their activities. As a founding member of Industry Dialogue, TeliaSonera actively participated in defining the group's Telecommunications, Freedom of Expression and Privacy Principles in 2012. The principles are intended to be signed off early 2013. One of TeliaSonera's sustainability priorities in 2013 is to start implementing the principles in our operations.

The Industry Dialogue also opened discussions in late 2012 with the Global Network Initiative to serve as a future host for the Industry Dialogue and its principles in 2013. The long term ambition of the Industry Dialogue is to grow the initiative and to further develop the principles as well as related tools and processes.

Group Privacy Policy

Data traffic is growing in all regions, bringing new challenges in relation to data protection.

Technological trends such as the cloud (virtual networks and software available remotely for access by users), behavioural advertising, deep packet inspection (examination of the data within a computer's network –

enabling for instance, network management, security and data mining), location awareness, the risk that seemingly anonymous data can be re-identified and new models for storing and processing of data (data warehousing) 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 unauthorised access to our customers' personal data. We are committed to protect and safeguard our customers' privacy, as is clearly stated in our Code of Ethics and Conduct.

The Group Privacy Policy defines TeliaSonera's on-going work in respect of customer privacy. Related issues include: 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.

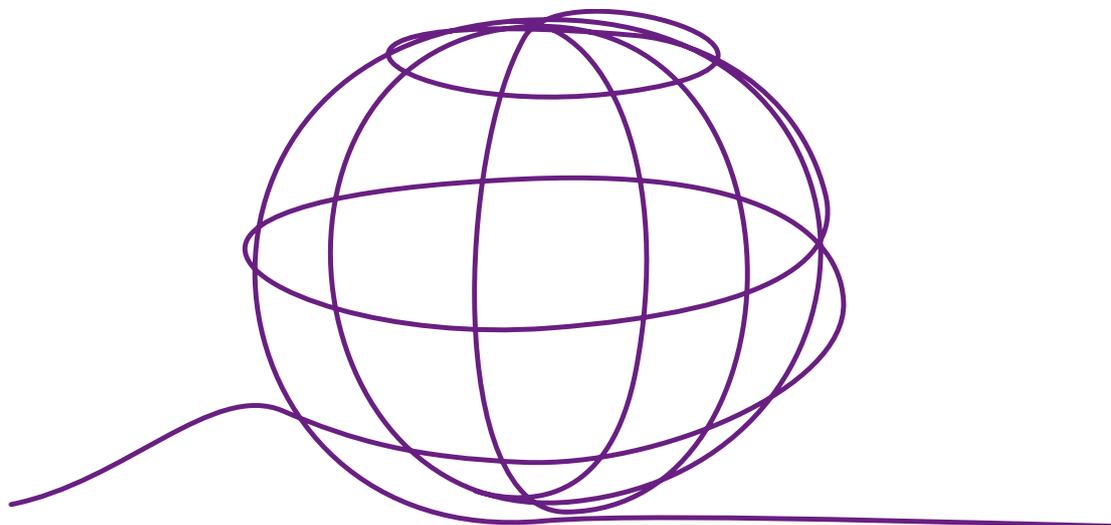
During 2011, an implementation plan for our Privacy Policy was developed, based on a pre-study. TeliaSonera has now started to execute Group Privacy Governance Programme, which aims to establish firm processes ensuring that the entire TeliaSonera Group complies with national laws, our own Group Privacy Policy and end-users' expectations. This work will be based on on-going prioritizations. Our privacy governance work aims to fill identified compliance gaps and prioritize high risk areas. Priorities and local measures to address these issues vary, reflecting the different stages of development in different markets. Additionally, every upgrading of network infrastructure, including new data warehousing solutions, brings an opportunity to review and implement compliance with our Privacy Policy.

The total number of complaints regarding breaches of customer privacy during 2012 amounted to 42. A total of 31 substantiated complaints were received from outside parties and substantiated by the organization, and 11 complaints were received from regulatory bodies.

The open character of the 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 genuine opportunities to make informed decisions and compare different offerings. Read more about TeliaSonera's position on Openness at www.teliasonera.com/en/about-us/public-policies/.

It is clear that the traditional value chain is changing, and many of the traditional revenue sources for operators are being challenged. Unparalleled levels of investment will be needed to achieve the goals within Europe's digital agenda, but at the same time the revenues of operators are declining. To fund the necessary investments operators must improve their ability to find new revenue streams.



Anti-corruption work

Our sustainability risk map on page 10 summarizes the main human rights and business practice risks in countries where TeliaSonera operates. Some of these countries are ranked as having high levels of corruption according to Transparency International's corruption perception index. Transparency International has also stated that corruption particularly poses a high risk to the telecom industry due to the likelihood of illegitimate financial transactions or inappropriate political contributions or bribes paid in connection with license negotiations.

TeliaSonera has a clear position and zero-tolerance against corruption, and we prioritize our anti-corruption work. Our Code of Ethics and Conduct defines how employees should interact with different stakeholders, including customers, business partners, competitors, co-workers, shareholders, governments and regulatory bodies, as well as local communities wherever we operate.

According to the 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.

TeliaSonera has several activities and procedures ongoing specifically designed to prevent corruption. We recognize that there is still room for improvement. Our Board of Directors approves the TeliaSonera Code of Ethics and Conduct annually, and members of our

“TeliaSonera has several activities and procedures in place specifically designed to prevent corruption. However, we recognise that there is still room for improvement.”

senior management must confirm their adherence to the Code in writing. We will train all our employees on anti-corruption practices using the new e-learning tool. We are further improving our risk assessment reporting in relation to corruption. We have resolved to further develop our due diligence work related to corruption, by improving our risk assessments in relation to business partners. Our new Supplier Code also clearly prohibit all forms of corruption.

In 2012, TeliaSonera initiated a dialogue with Transparency International (TI) regarding the company's internal anti-corruption work. The dialogue included discussion meetings, benchmarking against other companies participating in the meeting with TI Swedish Corporate Supporters Forum, etc. The dialogue will continue in 2013.

TeliaSonera also prepared a new Group Anti-Corruption Policy, which was finalized in February 2013. As part of the preparation work Transparency International provided comments and suggestions on the content and relevance of the policy.

E-learning tool

In order to continue the implementation efforts and to further ensure compliance with our Code of Ethics and Conduct we have created an e-learning tool. The roll-out will start in 2013. All TeliaSonera employees will be trained and the completion will be followed.

The training tool mainly focuses on anti-corruption and human rights, since these are two material sustainability issues for TeliaSonera. Ensuring that all employees receive training on anti-corruption is one of the best ways for companies to combat corruption.

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, for example human rights and anti-corruption related. Violations should primarily be reported through normal channels to line managers, local management team members or the relevant human resources manager.

There might, however, be situations where an employee does not feel comfortable raising concerns via such channels. For such cases TeliaSonera provides a whistle-blowing scheme. 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 2012, we received 11 whistle-blowing complaints. The complaints were related to areas such as human resources, procurement process and corruption allegations. All of these cases were examined. As a result no major actions or other consequences have been taken.

In 2012 TeliaSonera was not subject to significant fines or sanctions related to non-compliance with laws and regulations. In its normal course of business TeliaSonera has during 2012 been involved in a limited amount of legal actions related to anti-competitive behavior. As a result of the allegations in media, in 2012 the Swedish Prosecutor's Office started a pre-trial investigation into bribery and money laundering related to TeliaSonera's investments in Uzbekistan. This investigation will probably not be concluded during 2013. Read more on page 20.

Relations with governments and authorities

Operator licenses, frequencies and other prerequisites for our operations are controlled by both governments and authorities. Technical aspects of our infrastructure, such as deployment of fibre and masts, and the minimum working conditions of our employees are also governed by national legislation. Engaging with governments and relevant authorities is therefore a natural part of our business. In such contexts TeliaSonera observes fair business practices and acts in accordance with standards to uphold fair competition and avoid taking any inappropriate advantages.

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.

In dialogues concerning regulations affecting our business we aim to promote a regulatory environment that encourages investment and innovation and promotes equal opportunity. We regularly engage transparently with regulators throughout our markets, in order to share our experiences and opinions.

TeliaSonera's public policy engagement is in line with our sustainability related policies. During 2012 the work focused on the following areas;

- Openness/net neutrality. Our position here: www.teliasonera.com/Documents/Public%20policy%20documents/TS_PositionPaperOnOpenness_Eng.pdf
- Radio spectrums. Our position here: www.teliasonera.com/Documents/Public%20policy%20documents/PositionPaperOnRadioSpectrum.pdf
- Copyright and access to content. TeliaSonera fully supports ETNO's position, available at: www.etno.be/home/topics/digital-single-market/online-content/etno-principles
- The protection of Children on-line, see our position on page 37.
- The UN Guiding Principles on Business and Human Rights, focusing on freedom of expression and privacy, see page 11.

Sustainability in supply chain

One of the actions in our Sustainability Priority Action Plan aims to strengthen the processes we use to assess how well our suppliers respect our Supplier Code.

TeliaSonera's annual purchasing volume amounts to SEK 50 billion. The majority of these purchases, in terms of volume and capital, concern infrastructural equipment and services related to the building, development and maintenance of our fixed and mobile networks and IT infrastructure.

We additionally purchase mobile handsets, other consumer electronic devices, and electricity.

TeliaSonera's Group Procurement is responsible for procurement in the Nordic and Baltic countries. 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 all of our most significant locations, in Sweden, Finland, the Baltic countries and Eurasia, a major part of our procurements are obtained from local suppliers. Most of our infrastructural investments in Eurasia involve procurements from global suppliers. But the fact that many of our suppliers are locally based contributes considerably to the wider economic development of the countries where we operate.

Initiatives realized and work during 2012

TeliaSonera evaluates and selects its suppliers according to criteria concerning quality, price, functionality, availability, delivery, reliability, service and sustainability requirements. Our Supplier Code defines basic sustainability requirements, and we also communicate additional environmental requirements to our product suppliers and contractors.

On the basis of feedback from our suppliers, our Supplier Code, which was first introduced in 2010, was improved in 2012 to make it easier for our suppliers to understand our sustainability requirements. In 2013 we will develop a supplier portal to improve communication of sustainability requirements to our suppliers.

At the end of 2012, the supplier requirements were incorporated into 100 percent of significant and approved suppliers contracts.

TeliaSonera has resolved to engage more actively in joint initiatives within our industry, seeing this as the most effective way to build up a more sustainable supply chain.

“Our Supplier Code defines basic sustainability requirements, and we also communicate additional environmental requirements to our product suppliers and contractors.”

During the autumn we joined the Joint Audit Cooperation (JAC) scheme for the ICT sector. JAC is an association of telecom operators founded in 2010. In addition to JAC's primary focus on striving to achieve higher sustainability standards across the supply chain, its members benefit from a shared approach to sustainability auditing. This creates synergies and avoids the duplication of work in sustainability audits. Since its inception in 2010, JAC has been growing steadily, enhancing sustainability standards across the supply chain. Until now it has enabled more than 50 widely accepted audits to be carried out on ICT suppliers globally.

We recognize that there is still a lot of work to do in our supply chain, but we can see improvements, not least in terms of an increased understanding of our requirements among suppliers. In 2013, there will be a major focus on sustainability within our Supply Chain Strategy. We have created a sustainability roadmap which is now being implemented to enable TeliaSonera to meet the challenges of changing markets, increasing complexity, evolving threats, and the need for continuous improvement and full compliance with our requirements along our supply chain. We have chosen to explicitly incorporate sustainability and risk management into our Supply Chain Strategy.

In 2013, we will continue to improve audit efforts partly through the Joint Audit Cooperation (JAC) and improving our own audit capacity.

The work in 2013 will also include mining and conflict minerals. TeliaSonera is concerned about links between the extraction and trading of natural resources, human rights violations, conflicts and environmental degradation. We believe that building up industry-wide initiatives represents the best way forward on these issues. TeliaSonera will support industrial and sectorial schemes for the reporting, certification and control of the industry's use of conflict minerals.

Group environmental targets

The ICT sector was estimated to contribute 1.9 percent of global carbon dioxide (CO₂) emissions in 2011 and this share is expected to increase to 2.3 percent by 2020 (SMARTer2020 report by the Global e-Sustainability Initiative, www.gesi.org/SMARTer2020). Estimates may vary according to the sources yet in overall, the ICT sector's role in helping other sectors mitigate their emissions could potentially amount to seven times more than our sector's global carbon footprint, but on the positive side of the equation. If such potential can be fully realized, the SMARTer2020 report claims that 16.5 percent of global greenhouse gas emissions could be prevented. The sectors where ICT solutions can reduce emissions particularly include agriculture, transportation, buildings, energy production and manufacturing.

Awareness of the significance and consequences of climate change and global warming varies in the different countries where TeliaSonera operates. The SMARTer2020 report points out that opportunities to mitigate emissions through ICT solutions in different countries will depend on local conditions including ICT penetration, economic structures, public awareness of climate change, political will, and income levels.

In our TeliaSonera Code of Ethics and Conduct we have defined a goal to work towards a low-carbon society by minimizing our own climate impact and enabling our customers to mitigate theirs. This also means conducting our core business as efficiently as we can.

First Group-level environmental targets

In January 2013, TeliaSonera's Group Management approved environmental targets designed to improve the management of environmental initiatives at Group-level. Our new environmental targets are:

- to reduce our CO₂ emissions by 20 percent per subscription equivalent by 2020 compared to 2012
- to increase our energy efficiency by 20 percent per subscription equivalent by 2020 compared to 2012

The targets will be reviewed annually by our Group Management.

During 2013 we will define how these targets will be integrated into our business plans in practice, with measures designed to speed up their implementation. We particularly aim to increase the sharing of best practices across the company.

The role that the ICT sector can play in enabling other industries to reduce their carbon footprint is widely recognised (see the EU's Digital Agenda

www.ec.europa.eu/digital-agenda/en/digital-life/environment). This makes intensity target relevant. To the emission scope we include Scope 1 and Scope 2 emissions from GHG protocol. We decided to set targets that apply our knowledge of annual average energy consumption levels per subscription type, obtained through our performed life cycle assessments. Subscriptions for services such as IPTV use more electricity than M2M subscriptions, for instance. We therefore need to calculate a weighted average figure for subscriptions and this figure we have named "subscription equivalent".

TeliaSonera's environmental work

We are presently running many newly launched and on-going initiatives designed to reduce emissions and increase energy-efficiency. These initiatives mainly aim to reduce energy consumption, hence reducing costs. Although we identified more than 20 such projects across the Group in 2012, we have not yet defined a coherent way to measure their overall impact for example in terms of quantifiable emission reductions. Examples of these initiatives include:

- A Gold-level Leadership in Energy and Environmental Design (LEED) certificate awarded to TeliaSonera Finland's head office building in December 2012. To obtain this globally recognized third-party audited certification, improvements were made in the premises' electricity consumption, water usage, lighting, heating and cooling. We were both first telecom operator and first with such a large building to receive LEED certificate in Finland.
- The increased use of solar powered base stations for instance in Nepal and Uzbekistan.

Moreover, we also participated in a European Commission project evaluating standards for the calculation of carbon footprint within the ICT industry together with other players (www.ict-footprint.com).

Progress on our overall environmental performance during 2012 is described in more detail on pages 30-33.

"In January 2013, TeliaSonera's Group Management approved environmental targets designed to improve the management of environmental initiatives at Group level."

Sustainability in Eurasia

We have chosen to work in a number of complex markets and we are well aware of the risks. Our belief in the power of telecommunications is strong, and we are proud to have built up telecom operations in many emerging economies, giving millions of people opportunities to use mobile telephones and the internet for their daily communication. Telecommunications and mobile telephones in particular contribute to growth,

transparency and make millions of people's everyday lives easier. The table below summarizes some numerical facts related to our operations in Eurasia.

The most important sustainability risks related to our Eurasian operations concern: violations of human rights such as privacy and freedom of expression; corruption; and risks along supply chains. Read more on how we work to mitigate these risks on page 11 - 16.

Country	Population ¹	Market position ¹	Present since year	Subscriptions ¹	Employees ¹
Azerbaijan	9,166,075	1	1996	4,417,078	833
Georgia	4,334,432	1	1996	2,073,808	327
Kazakhstan	16,856,785	1	1998	13,462,300	1,345
Moldova	3,412,200	2	1999	1,250,871	358
Tajikistan	7,747,246	1	2007	2,809,546	469
Uzbekistan	29,910,000	2	2007	9,475,232	853
Nepal	27,151,332	1	2008	9,045,751	481
Total	98,578,070			42,534,586	4,666

¹ Year-end 2012. Population information is official country data.



Sustainability management

Business area Eurasia follows the company's sustainability management practices and takes responsibility for implementing priority sustainability actions accordingly. During 2012, sustainability was discussed at the Eurasian management team level regularly, with a special focus on human rights and anti-corruption work. Group management has also addressed sustainability issues together with Eurasian country management teams.

The CEO rotation scheme which was applied in five Eurasian countries in the third quarter of 2012 aims at maintaining good corporate governance across the organization, while also spreading new perspectives and a competitive edge to ensure further success. The CEOs of Azercell, Geocell, Moldcell and Ncell have exchanged their positions, and a new CEO was appointed at Moldcell, promoted from within the local management team. Management rotations are standard practice in BA Eurasia, also at lower management levels.

The socio-economic development

Mobile communications account for 3-9.5 percent of the GDPs of the Eurasian countries where we operate. This is significantly higher than in Western Europe, where the contribution of the industry is around one percent.

Research conducted by Deloitte has repeatedly established correlations between increasing mobile penetration in developing countries and economic development. Over the past year, mobile penetration in the Eurasian countries where TeliaSonera has subsidiaries has increased as follows:

Country	Penetration at the end of 2011	Penetration at the end of 2012
Azerbaijan	87%	93%
Georgia	114%	115%
Kazakhstan	131%	170%
Moldova	89%	101%
Nepal	47%	63%
Tajikistan	78%	102%
Uzbekistan	85%	73%*

* Penetration declined in Uzbekistan after the biggest local mobile operator discontinued operations in July 2012.

The most important area where TeliaSonera has contributed to a rapid increase in mobile penetration is through providing affordable telecom services. Nepal is one of the poorest countries in the world. Since TeliaSonera acquired Ncell in 2008 and started to build a reliable telecommunications network and offering affordable telecom service, the mobile coverage has increased from 40 percent to 63 percent of the population.

In many Eurasian countries the development of fixed line infrastructure is hindered by challenging terrain, and often also a lack of resources. The governments of these countries clearly realize the important role

“The most important area where TeliaSonera has contributed to a rapid increase in mobile penetration is through providing affordable telecom services.”

mobile communications has in the development of their economies and societies. The licenses issued for mobile operators typically include conditions for coverage of all settlements with a certain minimum population within a certain time frame, and TeliaSonera's operations have successfully complied with such conditions so far.

Our operations in Eurasia currently ensure (2G) mobile coverage for 90 to almost 100 percent of the population in each country (e.g. 90 percent in Nepal, 95 percent in Kazakhstan, and 99.8 percent in Azerbaijan). This is not only because of license requirements. Some mobile base stations in remote mountainous areas in Azerbaijan, Georgia and Tajikistan, where population densities are extremely low, are clearly not profitable for operators. We install them because we believe that access to communication is nowadays a basic right as access to food.

The simplicity of using a mobile phone makes it an irreplaceable tool for communication and for satisfying basic needs – for instance in the hands of Nepali villagers who may not be able to read and write, but who now simply can press a green button to check that their relatives are safe and well, pass on an urgent message, or call for help in an emergency.

Our subsidiaries in Eurasia are among the highest rated employers in their respective countries due to the professional development opportunities and remuneration packages we provide in line with wider international standards. For example in Nepal we provide extensive training to our employees in a country where basic schooling is insufficient. We have created employment opportunities, directly and indirectly, for over thousands of people in Eurasia.

TeliaSonera's Eurasia operations are among the highest tax-payers in their countries. Azercell in Azerbaijan and Kcell in Kazakhstan are these countries' highest corporate tax-payers outside the oil industry. Ncell is the fourth largest tax payer in Nepal.

Relations with our partners and political influence

Many of the risks we face in Eurasia are related to our partners and possible political influence on our business.

TeliaSonera has chosen to rely on strong local partnerships when entering new markets in Eurasia. This makes it easier for us to understand and observe the local rules and requirements for doing business. In some countries local legislation also requires presence of a local partner. Nepal sets a requirement that local partners should own at least 20 percent of telecom

operations. In our contractual agreements we strive wherever feasible to obtain options for future increases in our ownership stake in core holdings, to be able to continue on our own when we have attained enough knowledge and experience in the local market.

In early 2012, we finalized a deal with Kazakhtelecom to buy their 49 percent holding in Kcell in Kazakhstan, and sell just under 25 percent of these shares in an initial public offering. This means that Kcell is a listed company and has many new shareholders.

Stakeholder engagement and critical voices

To raise awareness and spread better understanding of our Eurasian operations among the public and the media, we now publicize more information of our work in the region through our website. We have initiated discussions with the ministries of communications in Georgia, Kazakhstan, Moldova, Tajikistan and Uzbekistan to emphasize the high priority we give to human rights issues.

In April 2012, the Swedish public service television channel SVT aired a report claiming that Teliasonera was co-operating with oppressive dictatorial governments in the countries of the former Soviet Union by giving national intelligence agencies access to our networks and to subscribers' private data, such as their geographical location and the content of their communications.

Another issue raised by Teliasonera's stakeholders in 2012 was our compliance with local authorities' requests to restrict access to our services in certain geographical areas, or access to certain online content. Teliasonera only restricts access if the local law requires us to do so. We assess the legality of all such requests applying a specific escalation procedure across our Eurasian operations.

We believe that countries in our Eurasia region benefit from our involvement, our technological leadership, our customer services, and the wide coverage we offer. Our business, mobile communications, can be an effective tool for supporting and facilitating transparency and democracy, since it provides people with the means to communicate with each other – and to let the outside world know what is going on in their countries.

We have additionally started to publish access restriction cases on the corporate websites of the respective Teliasonera subsidiaries, as well as on the Teliasonera website. Cases published in this way in 2012 were:

- The temporary shutdown of all communication networks, including Tcell, in the Gorny Badakhshan region of Tajikistan in July (www.teliasonera.com/en/newsroom/news/2012/update-in-the-badakhshan-region-in-eastern-tajikistan-/);
- The temporary shutdown by Kcell of the 3G network in the city of Zhanaozen, Kazakhstan in September (www.teliasonera.com/en/newsroom/news/2012/

[kcell-communicates-temporary-shutdown-of-3g-network-in-zhan-ozen-/](http://www.teliasonera.com/en/newsroom/news/2012/tcell-restricts-access-to-facebook-after-legal-request/)); and

- Restriction of access to certain sites by Tcell in Tajikistan (www.teliasonera.com/en/newsroom/news/2012/tcell-restricts-access-to-facebook-after-legal-request/)

During spring 2012 Swedish media published old corruption allegations against our operation in Kazakhstan. The allegations go back to 2010, when staff at Kcell were accused of swindling Kcell, and thereby Teliasonera, of revenue. As the allegations involved fraud, it was in the interest of Teliasonera to ensure the matter was fully investigated. Teliasonera conducted an internal investigation, commissioned an independent investigation by Ernst and Young, as well as a risk investigation on key personnel by Control Risks Group. The conclusion was that no evidence that supported the allegations were identified. As a final measure in handling the allegations, Teliasonera also asked our regular auditors, PwC, to carry out an assessment of the investigation carried out. The conclusion was that no further investigation was required if no further evidence or information was obtained.

In September, and December another report by SVT accused Teliasonera of involvement in bribery and money laundering in Uzbekistan. These allegations were linked to Teliasonera's acquisition in 2007 of certain assets (a 3G license, frequencies and number series) in order to establish ourselves as a telecom operator in Uzbekistan. These assets were acquired from their legal owner, the Gibraltar-registered Takilant Ltd. According to the Uzbek law, such assets may only be received by a company from the government. This meant that after Teliasonera had agreed to purchase the assets from Takilant, Takilant would transfer them to the government, and the government would then transfer them to Teliasonera, the new owner.

SVT claimed in their report that Takilant was a front company, that its owner was associated with the family of the President of Uzbekistan, and that the whole deal was a form of a bribe, enabling Teliasonera to enter and operate in Uzbekistan. The Swedish Prosecutor's Office started a pre-trial investigation into bribery and money laundering as a result of the allegations in media. This investigation will probably not be concluded during 2013. Teliasonera is cooperating fully with the prosecutor.

Teliasonera's Board immediately decided to make an external and independent investigation into the matter. The board appointed the well-respected Swedish law firm Mannheimer & Swartling to carry out the investigation. The report was published on February 1, 2013 and found no evidence that Teliasonera had committed bribery or participated in money laundering. However the report criticized how Teliasonera conducted its investments in Uzbekistan and concluded that due diligence of the local counterpart of the investment was

insufficient. The report also concluded that the company had not fully complied with its own Code of Ethics.

TeliaSonera has taken all the above allegations very seriously. The company will foster the management practices in relation to human rights and anti-corruption work and continues the work with the Sustainability Priority Action plan in order to better manage sustainability issues. Read more on pages 4-5.

Sustainability projects

Our Eurasian operations support a variety of social and community projects. The equivalent of about SEK 35 million was used for such support during 2012 in the seven countries where we have consolidated operations.

Although certain developments in Eurasian countries have helped to prepare qualified workforces for technical and commercial professions, including for the ICT industry, there is still scope for the improvement of related educational programs, professional consulting and staff training, especially in the areas of innovation, technology and business management.

TeliaSonera operators in Eurasia are supporting

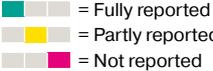
the establishment and development of educational institutions; equipping educational institutions with mobile laboratories, computers, internet connections, e-libraries and study material; and offering lectures by our managers.

The health care systems in certain Eurasian countries are deficient in some respects. TeliaSonera therefore runs wide-ranging mobile health projects, as well as simpler projects like SMS fundraising and awareness campaigns. Such projects aim to make people more aware and able to gain access to opportunities to improve their health.

All TeliaSonera operations in Eurasia support the integration of disabled people in society. We do this by providing services such as special SMS services and tariffs for the hearing impaired, by giving employment to disabled people, and through social projects such as: promoting employment and creating jobs for the disabled (e.g. support to the Eldany Fund in Kazakhstan); and increasing awareness of the need to integrate disabled people into society (e.g. a project to provide wheelchair ramps for theatres, museums and other public places in Tbilisi, Georgia)

Read more on our social projects on page 28.

GRI Report 2012



 = Fully reported
 = Partly reported
 = Not reported

TeliaSonera has assessed itself at GRI Application Level B+. The Application Level has been checked by a third party, PwC.

1. Strategy and Analysis

- 1.1 **CEO Statement** ■ ■ ■ ■
See Annual Report page 5-7.
- 1.2 **Description of key impacts, risks and opportunities** ■ ■ ■ ■
See page 4 Strategy and Priority Action Plan and page 8 Sustainability risks

2. Profile

- 2.1 **Name of the organization** ■ ■ ■ ■
TeliaSonera AB
- 2.2 **Primary brands, products, and/or services** ■ ■ ■ ■
See www.teliasonera.com/en/about-us/markets-and-brands/
- 2.3 **Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures** ■ ■ ■ ■
See www.teliasonera.com/en/about-us/markets-and-brands/
- 2.4 **Location of organization's headquarters** ■ ■ ■ ■
Stockholm, Sweden
- 2.5 **Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report** ■ ■ ■ ■
See www.teliasonera.com/en/about-us/markets-and-brands/
- 2.6 **Nature of ownership and legal form** ■ ■ ■ ■
See Annual Report page 30-31.
- 2.7 **Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)** ■ ■ ■ ■
See www.teliasonera.com/en/about-us/markets-and-brands/
- 2.8 **Scale of the reporting organization** ■ ■ ■ ■
See www.teliasonera.com/en/about-us/teliasonera-in-brief/
- 2.9 **Significant changes during the reporting period regarding size, structure, or ownership** ■ ■ ■ ■
See Annual Report page 13 and 26-27.
- 2.10 **Awards received in the reporting period** ■ ■ ■ ■
See page 7. Stakeholder engagement- Corporate responsibility indexes and recognitions.

3. Reporting parameters

- 3.1 **Reporting period for information provided** ■ ■ ■ ■
Calendar year 2012
- 3.2 **Date of most recent previous report** ■ ■ ■ ■
March 2012
- 3.3 **Reporting cycle** ■ ■ ■ ■
Annual
- 3.4 **Contact point for questions** ■ ■ ■ ■
See page 43 Contacts and feedback.
- 3.5 **Process for defining report content** ■ ■ ■ ■
See page 6 Stakeholder engagement.
- 3.6 **Boundary of the report** ■ ■ ■ ■
The scope of our consolidated data on sustainability generally follows established principles of financial reporting. Data includes companies under TeliaSonera's control, i.e. wholly-owned or majority-owned companies meaning direct or indirect ownership over 50% of the voting rights. Companies with less than two employees have been excluded from reporting unless stated otherwise. Performance data from the associated companies is not consolidated but relevant sustainability information regarding associated companies is discussed on pages 4, 6, 8, 10 and 20.
- 3.7 **State any specific limitations on the scope or boundary of the report** ■ ■ ■ ■
The limitations on the reporting scope are the following: LMT in Latvia and Tcell in Tajikistan have not reported data on environmental performance; partial information from Ucell in Uzbekistan, Cygate AB in Sweden and TeliaSonera International Carrier's operations. All limitations are reported with the respective indicators.
- 3.8 **Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations** ■ ■ ■ ■
During 2012, we continued to consolidate data from our wholly- and majority-owned companies. Data from joint-ventures, Svenska UMTS-Nät Ab and TT Netverket A/S were consolidated for LA-indicators, and partially for the IO8. Netcom outsourced their field engineers partially in Spring 2012. As our Sustainability reporting system is still under development, the degree of data completeness varies, which affects the comparability between years. All these issues are reported with the respective indicators. The missing performance data regarding our associated companies can affect the comparability of performance with other industry players.

> GRI Report 2012

<p>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</p> <p>GRI G3.1 Guidelines Indicator Protocols and GRI telecommunications sector supplement have been applied in the compilation of data and calculations. The performance data is checked internally before data consolidation with a partial support from automated thresholds in the new reporting system. When the data has not been available it has not been estimated. However, the data reported may have been estimated. For carbon dioxide (CO₂) the basis for calculations are explained with EN16 and EN17 indicators.</p>	■ ■ ■ ■	<p>4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body</p> <p>See Annual Report page 30-32.</p>	■ ■ ■ ■
<p>3.10 Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement</p> <p>TeliaSonera has restated partially environmental data from previous years. New categories for social projects have been taken into use. The deviations however are not significant. All deviations and restatements of data are reported with the respective indicator. Restatements are primarily due to additional data verification during the implementation of the new reporting system and the audit results.</p>	■ ■ ■ ■	<p>4.5 Linkage between compensation for members of the highest governance body, senior managers, and executives</p> <p>See Annual Report page 28.</p>	■ ■ ■ ■
<p>3.11 Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report</p> <p>New reporting system have been implemented. LA7 is excluded. Increased environmental reporting from Kcell in Kazakhstan.</p>	■ ■ ■ ■	<p>4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided</p> <p>See Annual Report page 30-43.</p>	■ ■ ■ ■
<p>3.12 Table identifying the location of the Standard Disclosures in the report</p> <p>GRI Report p. 22-41.</p>	■ ■ ■ ■	<p>4.7 Process for determining the composition, qualifications and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity</p> <p>See Annual Report page 30-31.</p>	■ ■ ■ ■
<p>3.13 Policy and current practice with regard to seeking external assurance for the report</p> <p>See page 42. Auditor's Report.</p>	■ ■ ■ ■	<p>4.8 Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation</p> <p>See Annual Report page 34-38.</p>	■ ■ ■ ■
<p>4. Governance, commitments and stakeholder engagement</p>		<p>4.9 Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles</p> <p>See Annual Report page 34-38 and 38-40.</p>	■ ■ ■ ■
<p>4.1 Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight</p> <p>See Annual Report page 30-34.</p>	■ ■ ■ ■	<p>4.10 Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance</p> <p>See Annual Report page 33.</p>	■ ■ ■ ■
<p>4.2 Indicate whether the Chair of the highest governance body is also an executive officer</p> <p>See Annual Report page 32.</p>	■ ■ ■ ■	<p>4.11 Explanation of whether and how the precautionary approach or principle is addressed by the organization</p> <p>Precautionary principle refers to actions and policies of an organization to mitigate any risks of causing harm to the public or environment by the organization or its products/services. E.g. exposure to electromagnetic fields (EMF) is a public concern due to the increased number of mobile terminals, base stations and mobile handsets. Teliasonera's approach to EMF is explained on p. 37, indicator SO10. Our overall precautionary approach to service and product development is addressed through our Code of Ethics and Conduct; Supplier Code, policies and risk management framework.</p>	■ ■ ■ ■
<p>4.3 For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members</p> <p>See Annual Report page 32.</p>	■ ■ ■ ■		

> GRI Report 2012

4.12 Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses See page 4. Strategy and priority action plan; page 16. Sustainability in supply chain.	■ ■ ■ ■	4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group See page 6 Stakeholder engagement - Intensifying dialogue with stakeholders; page 18 Sustainability in Eurasia, and www.teliaSonera.com/en/sustainability/impacts/key-stakeholders/	■ ■ ■ ■
4.13 Memberships in associations (such as industry associations) and/or national/international advocacy organizations See page 4 Strategy and Priority action plan.	■ ■ ■ ■	4.17 Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting See page 4 Strategy and priority action plan; 6 Stakeholder engagement - Intensifying dialogue with stakeholders; page 18 Sustainability in Eurasia.	■ ■ ■ ■
4.14 List of stakeholder groups engaged by the organization See page 6 Stakeholder engagement See www.teliaSonera.com/en/sustainability/impacts/key-stakeholders/	■ ■ ■ ■		
4.15 Basis for identification and selection of stakeholders with whom to engage See page 6 Stakeholder engagement	■ ■ ■ ■		

5. Disclosure on management approach

Economic

Description of management approach

Material Aspects: Economic Performance; Market Presence; Indirect Economic Impacts

Our approach to economic performance is guided by our Group-Wide Governance Framework see Annual Report page 34-38

Goals, performance & contextual information See Business area development 2012 page 21 and Outlook for 2013 page 19 in Annual Report; GRI Index EC9

Policies See Group-Wide Governance Framework in Annual Report page 34-38; Code of Ethics and Conduct on www.teliaSonera.com

Environmental

Description of management approach

Material Aspects: Energy; Emissions, Effluents and Waste; Products and Services; Compliance

See Group environmental targets; Eco-Efficiency at www.teliaSonera.com; Environment page 28 in the Annual Report

Goals, performance and contextual information See Strategy and priority action plan

Organizational responsibility See Sustainability Governance at www.teliaSonera.com

Monitoring and follow-up Sustainability Reporting and Data Management System; Reporting to Carbon Disclosure Project

Policies See Code of Ethics and Conduct as well as Supplier Code at www.teliaSonera.com and additional environmental requirements for suppliers; ISO26000 Standard; OECD Guidelines for Multinational Enterprises; Local environmental policies for instance where ISO 14000 or LEED present

Social: labor practices and decent work

Description of management approach

Material Aspects: Employment; Labor/Management Relations; Occupational Health and Safety; Training and Education; Diversity and Equal Opportunity

We comply with national labor laws wherever we operate. Our approach to labor practices is guided by Code of Ethics and Conduct, which bases on UN Declaration on Human Rights and the core conventions of the International Labor Organization. Group HR and HR Country Services are trained and follow the UN and ILO conventions as well as the Code of Ethics, using them in designing contracts. We aim to provide and constantly improve a safe and healthy workplace, for our own and contracted labor. This is governed by local health and safety committees. Through TeliaSonera'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. Regular performance and career development reviews are in place in most of our countries. They are conducted according to local standards and agreements.

> GRI Report 2012

Goals, performance and contextual information	See Strategy and priority action plan page 4-5; GRI Sector Supplement: Health and Safety
Organizational responsibility	The most senior HR position is Senior Vice President, Head of Group HR, who is a part of the Group Management. 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.
Monitoring and follow-up	See Internal whistle-blowing system page 15; HR Data Management System; Employee Commitment Scoring; Employee Branding reviews
Policies	See Code of Ethics and Conduct and Group Privacy Policy at www.teliasonera.com ; Global Recruitment policy; Local management systems

Social: human rights**Description of management approach**

Material Aspects: Investment and Procurement Practices; Non-discrimination; Freedom of Association and Collective Bargaining; Child Labor; Forced and Compulsory Labor; Assessment; Remediation

See Human Rights page 11-13; Sustainability Risks page 8; Sustainability in Supply Chain page 16; Human rights, freedom of expression and privacy at www.teliasonera.com.

Goals, performance and contextual information	See Strategy and priority action plan page 4-5
Organizational responsibility	See Sustainability Governance at www.teliasonera.com
Monitoring and follow-up	See Internal whistle-blowing system page 15, Human Rights Impact Assessment page 12, Joint Audit Cooperation page 16; Risk Management Framework at www.teliasonera.com
Policies	See Code of Ethics and Conduct; Group Privacy Policy; Supplier Code at www.teliasonera.com

Social: society**Description of management approach**

Material Aspects: Community; Corruption; Public Policy; Anti-Competitive Behavior; Compliance

Our approach is driven by TeliaSonera Code of Ethics and Conduct
See Anti-Corruption work page 14-15, Sustainability Risks page 8; Sustainability in Supply Chain page 16

Goals, performance and contextual information	See Strategy and priority action plan page 4-5
Organizational responsibility	See Sustainability Governance at www.teliasonera.com
Monitoring and follow-up	See Internal whistle blowing system page 15; Risk Management Framework at www.teliasonera.com ; official statements through different channels are cleared with Communications senior management
Policies	See Code of Ethics and Conduct and Supplier Code at www.teliasonera.com

Social: product responsibility**Description of management approach**

Material Aspects: Customer Health and Safety; Product and Service Labeling; Marketing Communications; Customer Privacy; Compliance

Customer Health and Safety are ensured by compliance with national laws and international regulations. Concerns related protecting children online and Electromagnetic Fields are addressed with effort. See more: GRI Report SO9 and SO10

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 Privacy Policy and Code of Ethics and Conduct.

In marketing communications TeliaSonera we strive to clear pricing schemes, balanced product information and sound marketing practices related to content, especially when addressing minors. Our local marketing departments work closely with our legal departments to ensure compliance with national marketing regulations.

Goals, performance and contextual information	See Strategy and priority action plan page 4-5
Organizational responsibility	See Sustainability Governance at www.teliasonera.com
Monitoring and follow-up	EPSI customer satisfaction survey, Contract terms communicated to sales representatives; customer service guidelines for complaints and escalation of complaints; mechanisms in place in case of disputes
Policies	See Group Privacy Policy and Policy on Electromagnetic Fields at www.teliasonera.com ; Group's sponsorship strategy complies with the International Code Council's International Code on Sponsorship.

6. Performance data

6.1 Economic

Economic performance

EC1. Direct economic value generated and distributed

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.

Customers

In 2012 TeliaSonera's net sales amounted to SEK 104,898 million (104,804). Our main markets were Sweden (35 percent), Eurasia (18.4 percent) and Finland (13 percent).

Suppliers

In 2012 TeliaSonera purchased materials and services with a total value of SEK 72,396 million (73,145). 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 Kazakhstan, Azerbaijan, Uzbekistan, Tajikistan, Georgia, Moldova and Nepal, since 2003, have amounted to approximately SEK 35 billion. Most of TeliaSonera's infrastructural investments in Eurasia involve procurements from global suppliers. But the fact that 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 27,838 people in 29 countries. In 2012 our personnel expenses totalled SEK 12,550 million (12,636), of which SEK 9,862 million (9,979) 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 2012 TeliaSonera had 553,631 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 2012 amounted to SEK 12,341 million. In 2012 TeliaSonera's share price declined by 5.8 percent on the NASDAQ OMX Stockholm Stock Exchange.

The states of Sweden and Finland are TeliaSonera's largest shareholders, with ownership stakes of 37.3 percent and 11.7 percent, respectively.

Public sector

During 2012, TeliaSonera paid a total of SEK 4,593 million in income taxes to the public sectors of the countries where we operate. Table below shows the sums paid by country.

TeliaSonera received grants amounting to approximately SEK 9 million (SEK 24 million) for research and development purposes from various national governments.

Income taxes paid MSEK	2012 Actual	2011 Actual	2010 Actual
Sweden	1,717	2,461	3,822
Finland*	5	3	0
Norway	357	639	627
Lithuania	29	14	50
Latvia	20	53	49
Estonia	121	180	129
Kazakhstan	729	791	646
Azerbaijan	293	370	289
Tajikistan	87	65	41
Georgia	22	30	52
Nepal	329	223	118
Russia	659	-	-
Turkey	33	7	5
Other countries**	192	173	172
Total	4,593	4,999	5,995

* Tax payments reduced by usage of tax-deductible impairment losses and capital losses incurred in 2002 and 2003. Finnish tax losses expire after 10 years.

**Approx. 15 countries

Generation of value added*		2012		2011**		2010**	
		SEK million	% of net sales	SEK million	% of net sales	SEK million	% of net sales
Customers	+ Net sales	104,898		104,804		107,287	
Suppliers	- Operating expenses	56,711	54	55,761	53	56,859	53
	- Capital expenditure	15,685	15	17,384	17	14,934	14
= Value added		32,502		31,659		35,335	
Distribution							
Employees	- Personnel expenses	12,550	12	12,636	12	13,694	13
Shareholders	- Dividends paid	12,341	12	12,349	12	10,104	9
	- Share repurchase	-	-	9,943	10	-	-
Creditors	- Interest expenses, net	3,087	3	2,419	2	1,802	2
Public sector	- Income tax expenses	3,314	3	5,753	6	6,282	6
= Distributed to stakeholders		31,292		43,100		31,882	

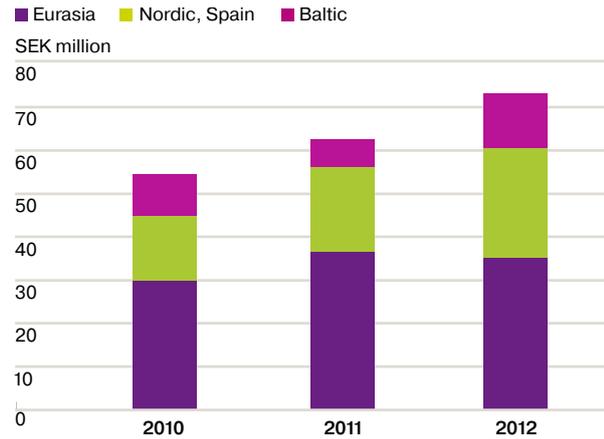
* All table items are not calculated exactly according to the GRI requirements. We follow our own principles of financial reporting.

** Certain restatements have been made, see TeliaSonera Annual Report, Note C1 to the consolidated financial statements.

> GRI Report 2012

Society

In 2012 TeliaSonera used SEK 73 million (SEK 62.5 million) to various projects. About 48 percent of these projects were realized in the Eurasia region. The majority (31)percent of these funds were used for philanthropic and charitable work, 31 percent for sports related projects and 26 percent for social projects related to health, young people and education and social welfare.



EC2. Financial implications and other risks and opportunities due to climate change

See Annual Report page 103. Consolidated Financial statements / C35 Risks and uncertainties

EC3. Coverage of the organization's defined benefit plan obligations

See Annual Report Consolidated Financial statements page 83: Note C22. Provisions for Pensions and Employment Contracts and page 89. Note C27 Financial Risk Management

EC4. Significant financial assistance received from government

See EC1 Shareholders and Public Sector

Market presence

EC6. Policy, practices, and proportion of spending on locally based suppliers at significant locations of operation

See page 16 Sustainability in Supply Chain

EC7. Procedures for local hiring and proportion of senior management hired from the local community at significant locations

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. Therefore the policy grants no preference based on applicant's location, but employees are hired based on competence. In all of our operations at least half of the management are from the country concerned.

> GRI Report 2012

Indirect Economic Impact

EC8. *Development and impact of infrastructure investments and services provided primarily for public benefit*

See EC1 Society; See page 18 Sustainability in Eurasia

No formal community needs assessment was conducted but the social projects are chosen by TeliaSonera local companies, who have better understanding on the local community/country needs in the specific location.

Project	Aim	Extent	Impact
<i>Commercial/in kind investment</i> Ncell joined Save the Children's Adopt a School programme in Nepal.	To improve the quality of education in primary and secondary schools in rural areas	Projects at the community level to support construction of schools and adjacent sewage and drinking water facilities. Purchased of computers for e-library and providing Internet access through Ncell mobile network.	In 2011, Ncell adopted 6 schools, directly benefitting 1,642 students. In 2012, 17 additional schools were adopted. That benefitted another 6,437 students. Adopt a School program has now been implemented in 19 districts. The program will continue in 2013.
<i>Commercial I in kind investment</i> Omnitel, Lithuania cooperated with Swedbank on a professional volunteer work project "Who needs it?!"	To increase pupils' educational motivation and to help the choose their future profession.	The project is open and free to all Lithuanian schools and organizations. In 2012, 35 professionals from Omnitel participated in this project on a voluntary basis.	Goals by 2015 95% schools, 400 organizations, 2,000 professionals, 3,000 annual projects
<i>Commercial investment</i> Omnitel, Lithuania: „Disability is not an obstacle to be together“: improvement of accessibility of telecommunication services for people with physical disabilities.	Improve Omnitel's service accessibility to persons with disabilities and promotion of their employment.	Omnitel and the Lithuanian Union of Persons with Disabilities carried out a one-year-long project where they organized special training for its customer service and managers on how to service and communicate appropriately with persons with disabilities. Omnitel's client servicing centers were also readjusted to better meet the needs of disabled persons. The project was financed from the EU European Social Fund.	The project has won the UN Development Programme competition. It has resulted in improved usability of Omnitel's services for disabled people and a manual for servicing clients with special needs. The project also foresees employment possibilities with Omnitel for disabled persons.
<i>Commercial investment</i> Elion and EMT with Microsoft Estonia launched "the Nutilabor" project for information technology hobby groups in.	To equip children with IT skills and get them interested in IT fields.	Throughout Estonia, 36 hobby groups were set up, which are conducted in Estonia and Russian, as well as one in Seto (a dialect). One group is intended for children with hearing disabilities.	During the 2012-13 academic year, more than 500 students will be able to try their hand at robotics and programming, as well as creating mobile applications and websites.
<i>In kind investment</i> Moldcell's mHealth program in Moldova.	To support the medical treatment of people with low income.	Involves sending SMSs with medical content to patients suffering from tuberculosis. The mobile phones, sim-cards and SMS traffic are offered free of charge by Moldcell.	The project was launched at the end of 2012, therefore we do not have exact impact information. The estimated impact in minimum will be 5,000 beneficiaries in 2013.
<i>Pro bono investment</i> Azercell employees in Azerbaijan visit universities.	To share knowledge with students and provide them first hand information about telecommunication technology.	Azercell employees conduct lectures in Qafqaz University and Azerbaijan State Economic University, as well as provide information on GSM to interested students.	Expected impact is to ensure these students make high quality specialists, who can benefit the country, as well as be employed by Azercell in the future.

EC9. Understanding and describing significant indirect economic impacts, incl. the extent of impacts 

See page 18 Sustainability in Eurasia

Positive Economic Impacts	TeliaSonera's Role
Changing the productivity of economies	Through bridging the digital divide and improving the accessibility of telecom services we increase: competitiveness and economic growth, communication and freedom of expression, technological development and transition to a knowledge-based economy. Mobile communications account for 3 to 9.5 percent in the GDPs of the Eurasian countries and around one percent in Western Europe.
Economic development in areas of high poverty	We foster economic development by directly and indirectly creating job opportunities, using local suppliers, making infrastructure investments and by financially contributing to societies. 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.
Economic recovery of disaster areas	We are prepared to assist rescue work and disaster relief during extreme weather conditions and catastrophes as well as other major emergencies. Most of our companies in our Eurasia region, for example, have mobile base stations that can be set up in areas affected by disasters.
Overcoming barriers for access and use of telecommunication products and services	<p>Affordable services are important to enable digital inclusion and to enhance digital equality for people coming from different backgrounds. In response to such needs we offer special discount prices for students in Lithuania, Moldova, Azerbaijan, and Kazakhstan. In addition, we provide lower tariffs for youth in Tajikistan, Azerbaijan, Georgia and Lithuania. In Estonia and Lithuania, senior customers receive a special tariff pricing and phones with easy to use functions. Similar offers exist also in some of our Eurasian markets, including Kazakhstan and Tajikistan. In Eurasian countries low income people often live in rural areas. We have taken this into consideration by offering regional tariffs for example in Azerbaijan, Moldova and Kazakhstan. In Moldova we also offer a "Please call me" service, where a subscriber with no money in their account they can reach people by "beeping" them. Finally, refugees are offered low tariffs in Georgia and Kazakhstan.</p> <p>TeliaSonera aims to also support the use of telecom services of people with disabilities. We have special package deals with lower SMS prices for hearing impaired and deaf people available in Estonia, Georgia and Kazakhstan. In Lithuania there are special Customer Care Units who are trained to service people with disabilities.</p> <p>What comes to language barriers, in addition to local language, we always aim to offer our services in regional dialects and minority languages, particularly in Eurasia.</p>

> GRI Report 2012

6.2 Environmental

Materials

TeliaSonera's business does not involve manufacturing. Although issues related to manufacturing lie outside of our own reporting scope, we acknowledge that efficient material use is relevant for our suppliers producing mobile handsets, other consumer electronic devices, and infrastructural equipment related to the building, development and maintenance of our fixed and mobile networks. We therefore prefer to deal with suppliers who strive to use raw materials efficiently.

Energy

EN3. Direct energy consumption by primary energy source

Region, terajoules (TJ)	2012	2011	2010
Nordic ¹	32	35	54
Baltic	74	84	80
Eurasia ²	375	446	140
Other ³	9	10	2
Total direct energy consumption, TJ⁴	490	574	276
<i>of which gasoline/diesel for own or controlled car fleet, TJ</i>	<i>140</i>	<i>184</i>	<i>188</i>
<i>of which natural gas, TJ</i>	<i>12</i>	<i>9</i>	<i>10</i>
<i>of which other fuels, TJ</i>	<i>333</i>	<i>381</i>	<i>79</i>

¹ Figure for 2011 recalculated by moving leased cars used for both private and business travel in Finland to EN17/Scope 3. Another reason for the decrease is the partial outsourcing of field maintenance in Norway in 2012.

² Partial information. Information from Ucell, in Uzbekistan also incomplete.

³ Partial information.

⁴ Data not fully comparable due to partial information. Figure for 2011 restated.

In 2012, our direct energy use amounted to an estimated 490,000 megajoules (574,000 MJ). The main reason for the decrease is partial information from Ucell in Uzbekistan. This means that the figures for different years are not directly comparable.

EN3 includes the fuels used in diesel generators that may be used as back-up power sources to operate networks during electricity outages, the use of natural gas, and fuels used

in the vehicled fleets we own or lease mainly for the purpose of maintenance work. We have also included initial estimates for the energy generated by Ncell's solar powered base stations in the figures.

EN3 corresponds to energy as defined in Scope 1 under the GHG Protocol.

EN4. Indirect energy consumption by primary source

Region, terajoules (TJ)	2012	2011	2010
Nordic	3,116	3,185	3,138
Baltic	551	470	466
Eurasia ¹	1,104	547	520
Other ²	488	331	355
Total indirect energy consumption, TJ³	5,259	4,533	4,479
<i>of which purchased electricity, TJ</i>	<i>4,796</i>	<i>4,336</i>	<i>4,120</i>
<i>of which heating/cooling, TJ³</i>	<i>463</i>	<i>197</i>	<i>359</i>
<i>Purchased renewable certificates in Finland and in Sweden as a proportion of total electricity usage, %</i>	<i>44</i>	<i>48</i>	<i>53</i>

¹ Partial information. Data not fully comparable. Increased reporting from Kcell in Kazakhstan, information from Ucell in Uzbekistan only partial.

² Partial information. Includes Yoigo in Spain and TSIC network outside the Nordic and Baltic.

³ Earlier figures recalculated. Data not fully comparable.

Our total electricity consumption has increased 13 percent to 1,332 GWh compared to 2011 (1,204 GWh). The main reasons for the increase are improved reporting from Kcell in Kazakhstan, increase in energy consumption and change of calculation method in TeliaSonera International Carrier's (TSIC) operations. The Nordic region's share of the electricity consumption has decreased to 62 percent (70). Renewable electricity certificates purchased in Sweden and Finland amounted to 44 percent (48) of total electricity usage across Group. Indirect energy consumption includes the energy used to keep our networks operational 24/7 for our customers, to run our offices and also a small part of the electricity used in our own shops. Significant amounts of electricity are also used to run our data centres and our network production facilities including for instance their cooling systems.

EN4 corresponds to energy as defined in Scope 2 under the GHG protocol.

> GRI Report 2012

EN5. Energy saved due to conservation and efficiency improvements

Initiative	Energy Saved
Temperature management projects	Various projects in Sweden amounting to estimated 3 700 MWh annually compared with 2010
Energy efficient office design	Savings achieved to obtain Gold-level LEED certificate for office premises in Finland: approximately 300 MWh compared with 2011

In addition, we have identified more than 20 on-going initiatives, such as similar projects on temperature management, but also virtualization of servers and site optimization of data storage systems. We have not yet defined a coherent way to measure their impact quantitatively.

EN6. Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements

See also EN5.

Service	Effect
Tele- and video-conferencing	- energy efficiency through coordinated communications - lower CO ₂ emissions due to reduced travel
Wireless heating and cooling control systems	- more efficient energy use management - reduced logistical needs
Mobile banking	- minimized need to travel to banks in remote areas
Machine-to-machine solutions	- optimization of logistical flows and streamlining of other industrial processes such as temperature management and other alert-triggered processes

In addition to providing services that contribute to energy savings, we aim to improve the energy efficiency of the services we offer.

Water

Where feasible, TeliaSonera uses lake water or seawater to cool our network production facilities. However, no data is available at the moment to report on indicator EN8 Total water withdrawal by source.

Emissions, Effluents and Waste**EN16. Total direct and indirect greenhouse gas emissions by weight**

Region, metric tons CO ₂ e	2012	2011	2010
Direct emissions			
Nordic	2,276	2,477	3,889
Baltic	5,452	5,542	5,446
Eurasia ¹	26,963	31,529	10,470
Other	640	694	128
Total direct emissions, metric tons CO₂e²	35,331	40,243	19,933
Indirect emissions			
Nordic	42,409	45,271	42,878
Baltic	58,060	50,566	49,640
Eurasia ³	117,001	43,793	51,443
Other ⁴	51,012	32,666	34,615
Total indirect emissions, metric tons CO₂e	268,482	172,295	178,575
+ Total metric tons CO₂e saved⁵	54,227	54,227	54,788
Total direct and indirect greenhouse gas emissions, metric tons CO₂e⁶	303,813	212,538	197,980

¹ Partial information. Incomplete data from Ucell in Uzbekistan is the main reason for decline.

² Data not fully comparable between years. Earlier figures recalculated.

³ Partial information. Increased reporting from Kcell in Kazakhstan, partial information from Ucell.

⁴ Includes Yoigo in Spain and TSIC outside the Nordic and Baltic regions.

⁵ These figures, referring to purchases of Renewable Energy System Certificates (RECS) in Sweden and in Finland, are not included in the indirect emissions stated above for the Nordic region. Increased savings occurred due to a changing emission factor if compared to CR Report 2011.

⁶ Earlier figures recalculated.

TeliaSonera's reported CO₂e emissions for 2012 amounted to 303,813 metric tons CO₂e (212,358) for Scope 1 and Scope 2. The share of the Nordic region in this total was estimated to be 15 percent in 2012, whereas our Eurasian region accounted for 47 percent. Renewable electricity certificates purchased in Sweden and Finland saved approximately 15 percent (20) from the estimated emissions across the Group.

TeliaSonera's network maintenance and construction work may be conducted in-house using own engineers and vehicle fleets or it is increasingly outsourced to third parties. The environmental impacts of network construction in terms of emissions from transportation may consequently come under Scope 1 or Scope 3, or both varying depending on the location. For instance, Netcom in Norway partially outsourced their maintenance work in 2012. We have aimed to compile emission data of this kind at least from our most significant contractors and these emissions are reported in Scope 3/ EN17.

We calculate our CO₂e emissions in line with the Corporate Accounting and Reporting Standard issued by the Greenhouse Gas (GHG) Protocol where the GRI's EN16 corresponds to Scope 1 and Scope 2 emissions. The Protocol's Scope 1 emissions include direct greenhouse gas emissions from our own and controlled sources, i.e. the emissions generated in using fuels to run our networks and driving company vehicles. Scope 2 emissions include indirect emissions from the generation of energy purchased and consumed by TeliaSonera, meaning the electricity, heating and cooling energy we use in our offices and to run our networks.

> GRI Report 2012

EN17. Other relevant indirect greenhouse gas emissions by weight			
Region, metric tons CO ₂ e	2012	2011	2010
Nordic			
Upstream -business travel ¹	6,759	9,505	9,442
Upstream - transportation ^{1 2}	20,681	19,827	18,559
Downstream - distribution/logistics ^{1 2}	3,071	1,463	2,804
Nordic, total metric tons CO₂e¹	30,511	30,795	30,805
Baltic			
Upstream-business travel ^{1 2}	1,117	1,092	1,128
Upstream - transportation ³	1,300	916	918
Downstream - distribution/logistics ⁴	580	512	349
Baltic, total metric tons CO₂e¹	2,997	2,520	2,395
Eurasia			
Upstream-business travel ⁵	2,453	2,671	843
Upstream - transportation ⁶	1,033	725	466
Downstream - distribution/logistics ⁷	499	62	70
Eurasia, total metric tons CO₂e¹	3,985	3,458	1,380
Other regions			
Upstream-business travel ^{2 3}	413	456	490
Upstream -transportation ^{1 2}	3,398	475	730
Downstream - distribution/logistics ²	298	373	223
Other regions, total metric tons CO₂e¹	4,109	1,304	1,443
Total other relevant indirect greenhouse gas emissions in metric tons CO₂e¹	41,602	38,078	36,023

¹ Data is not comparable between years.

² Partial information.

³ Partial information. Omnitel in Lithuania and Elion in Estonia.

⁴ Partial information. Omnitel and TEO in Lithuania.

⁵ Partial information. Geocell, Ncell and Kcell reported for the first time. Incomplete data from Ucell.

⁶ Partial information. Data only from Geocell in Georgia.

⁷ Partial information. Data only from Kcell and Ncell.

⁸ Data includes air travel data from Yoigo in Spain and partial air travel data from TSIC outside the Nordic region and Lithuania, except US and Russia.

Our partial reporting for EN17/Scope 3 emissions totalled 41,602 metric tons in 2012. Due to new reporting system and adjusting calculation methods, earlier years are not comparable. We included into our Scope 3 indirect emissions generated along our value chain, mainly through activities such as business travel, outsourced operations, distribution and logistics.

The Nordic region accounted for some 73 percent, Sweden and Finland covering most of it due to the scale of our business in this region and the outsourcing of network maintenance. Approximately 22 percent of the Nordic region's Scope 3 emissions originate from business travel. Air travel accounted for an estimated 3 percent of TeliaSonera's total reported carbon footprint in 2012.

In the reporting of business travel emissions, TeliaSonera mainly includes 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 2012, business travel accounted for emissions totalling 10,742 metric tonnes CO₂e.

The emissions of our suppliers, such as contractors and logistical partners, generated 30,859 metric tons CO₂e in 2012. Examples of contributing factors included the upgrading of the networks and technology shift programs realized in Sweden and Finland. These Scope 3 value chain categories continued to be challenging to report, and thus the comprehensiveness of the reported data varies significantly.

EN18. Initiatives to reduce greenhouse gas emissions and reductions achieved

See page 17. Environmental Targets

TeliaSonera purchased voluntary renewable electricity certificates in Finland and Sweden saving an estimated 54,227 metric tons CO₂e in 2012. Other initiatives that have reduced our emissions include the increased use of alternative energy sources, such as solar panels or hydro power are examples of emission reduction initiatives that we have deployed.

In Lithuania, our subsidiary TEO has continued working actively to increase environmental awareness both inside and outside the company through a project named "Save Resources- change yourself".

We have categorized approximately 20 percent of our leased cars as environmentally friendly according to local definitions. In Sweden, for instance, 31 percent of our leased cars come under the 120 g CO₂ limit introduced in 2011.

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

Region, metric tons	2012	2011	2010
Baltic ^{1 2}	2,200	732	888
Nordic ²	30,297	28,525	33,949
Eurasia ²	436	1,061	1,455
Other ³	8	5	39
Total weight of waste, metric tons⁴	32,941	30,323	36,330
<i>of which hazardous waste, metric tons</i>	<i>19,447</i>	<i>18,160</i>	<i>20,793</i>
<i>of which electronic, metric tons⁵</i>	<i>623</i>	<i>306</i>	<i>636</i>
<i>of which cables, metric tons⁵</i>	<i>1,872</i>	<i>1,495</i>	<i>1,768</i>

¹ Increased reporting from Elion, Omnitel and TEO.

² Partial information

³ Partial information; incomplete data from Yoigo in Spain

⁴ Data not comparable due to partially incomplete data

⁵ Excluding lead cables categorized as hazardous waste

Our partially reported waste volumes totalled 32,941 metric tons in 2012. Some 92 percent of this total originated from the Nordic region, particularly Finland and Sweden. Waste volumes fluctuate annually according to business trends. Recycling rates vary significantly between countries and for different waste categories, ranging from zero to over 95 percent.

Some 59 percent of this total waste figure is categorized as hazardous waste, which is characteristic of our industry. Upgrading fixed telephone networks results 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 over 90 percent our current reported hazardous waste, though we have also included batteries, luminescent lamps and certain types of cables into this category. The figures for electronic waste volumes doubled due to increased reporting, although figures still remain very incomplete.

> GRI Report 2012

EN23. Total number and volume of significant spills 

No reported significant spills.

Products and Services:

EN26. Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation 

Significant environmental impacts related to our services are CO₂ emissions and waste. Our main sources of CO₂ emissions relate to the running and 24/7 maintenance of our networks.

To reduce the related emissions and costs we are following a comprehensive plan to increase the use of solar panels as alternative power sources for base stations in Eurasia and specially in Nepal, although diesel oil continues to be widely used. So far over 100 solar powered based stations have been installed and more is planned in 2013, notably in Nepal and Uzbekistan.

With regard to wastes, technology shifts currently represent a considerable challenge, particularly in relation to electronics waste, the handling of impregnated telephone poles and the recycling of cables considered as hazardous waste. During 2012 we successfully re-used 21 metric tons of tele-equipment in the Nordic region.

Compliance:

EN28. Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations 

In 2012 TeliaSonera was not subject to any significant fines or sanctions related to non-compliance with laws and regulations.

> GRI Report 2012

6.3 Labor rights and decent work Employment

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

LA1 – Total workforce by employment contract broken down country

Situation as of, Dec 31	Permanent employees		Temporary employees		
	2012	2012	2012	2011	2010
Sweden	8,865	371	9,236	8,844	9,416
Finland	3,910	127	4,037	4,278	4,572
Norway	1,095	6	1,101	1,185	1,167
Denmark	1,135	12	1,147	1,298	1,089
Lithuania	3,585	323	3,908	3,971	4,147
Latvia	918	0	918	932	895
Estonia	2,152	38	2,190	2,154	2,093
Spain	106	4	110	103	91
Kazakhstan	1,345	267	1,612	1,579	1,432
Azerbaijan	833	0	833	821	778
Uzbekistan	853	0	853	849	795
Tajikistan	469	0	469	439	575
Georgia	327	0	327	330	336
Moldova	358	0	358	356	345
Nepal	481	0	481	532	502
Russia	39	0	39	48	48
Turkey	31	0	31	32	26
Other countries	185	3	188	232	245
Total	26,687	1,151	27,838	27,983	28,551

TeliaSonera has 27,838 employees in 29 countries. Around 48 percent are located in Sweden and Finland. 96 percent of the employees have a permanent contract, while 4 percent are temporary employed.

LA1 – Total workforce by business area

Situation as of, Dec 31	Perma- nent em- ployees		Tempo- rary em- ployees		
	2012	2012	2012	2011	2010
Mobility Services	6,974	271	7,245	7,456	7,271
Broadband Services	12,686	591	13,277	13,071	13,783
Eurasia	4,713	267	4,980	4,994	4,853
Other operations and corporate	2,314	22	2,336	2,462	2,644
Total	26,687	1,151	27,838	27,983	28,551

Broadband Services is the business area with the largest number of employees, accounting for almost 49 percent of our total workforce. 18 percent of our employees are employed in our growth area Eurasia. All gender related data see LA13.

LA2. Total number and rate of new employee hires and employee turnover by age group/gender and region

Country	New employee hired 2012	Employee turnover 2012	New employee hired 2011	Employee turnover 2011
Sweden	1,154	4.6 %	360	3.8 %
Finland	150	2.6 %	155	4.2 %
Norway	260	18.6 %	223	14.0 %
Denmark	293	19.2 %	584	19.5 %
Lithuania	588	17.4 %	507	18.3 %
Latvia	182	8.5 %	192	7.6 %
Estonia	360	8.2 %	307	6.0 %
Spain	8	2.0 %	9	4.3 %
Kazakhstan	376	17.4 %	387	13.6 %
Azerbaijan	77	8.2 %	100	6.0 %
Uzbekistan	112	11.0 %	136	9.8 %
Tajikistan	60	7.4 %	69	13.1 %
Georgia	29	10.6 %	21	7.2 %
Moldova	24	8.8 %	52	11.9 %
Nepal	36	17.7 %	61	6.1 %
Russia	-	-	-	-
Turkey	2	14.0 %	7	14.3 %
Other countries	16	8.8 %	5	4.3 %
Total	3,727	9.2 %	3,175	8.4 %

LA2 – New employee hires and employee turnover by age

Age	New employee hired 2012	Employee turnover 2012	New employee hired 2011	Employee turnover 2011
< 30 years	2,593	19.3%	2,263	18.2%
31–50 years	1,064	6.3%	855	5.6%
> 51 years	70	1.5%	57	1.6%
Total	3,727	9.2%	3,175	8.4%

LA2 – New employee hires and employee turnover by gender

Gender	New employee hired 2012	Employee turnover 2012	New employee hired 2011	Employee turnover 2011
Female	1,548	8.9%	1,262	8.8%
Male	2,179	9.5%	1,913	8.1%
Total	3,727	9.2%	3,175	8.4%

Employee turnover rate measures the percentage of employees that have voluntarily left the company during a specified period. Turnover rates vary considerably between countries and units.

> GRI Report 2012

Labor/management relations

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

LA4 – Percentage of employees covered by collective bargaining agreements

By country, Dec 31	2012	2011
Sweden ¹	100	100
Finland ¹	95	95.5
Norway	20	29.4
Denmark	56	69
Estonia	75	100
Latvia	57	-
Lithuania	50	86
Spain ¹	100	100
Nepal ¹	88	90.5
Uzbekistan	60	60
Tajikistan	80	80
Other countries ²	100	100
Reported entities' share of TeliaSonera total, %	82	75

¹ Excluding top management.

² International Carrier France, Austria and Italy.

Following TeliaSonera countries are not included in the list as their percentage is zero: Kazakhstan, Azerbaijan, Georgia, Moldova, Russia and Turkey.

As stated in our Code, TeliaSonera employees have the right to choose whether or not to be represented by a trade union for the purpose of collective bargaining. No employee shall be discriminated against for exercising these rights. All employees should be aware of the basic terms and conditions of their employment. TeliaSonera respectfully cooperates with legitimate employee representatives and national labor unions.

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

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 have offered longer notice periods or monetary compensation that exceeds the notice period salary (exit packages) defined in legislation or collective agreements.

Occupational health and safety

LA6. *Percentage of total workforce represented in formal joint management worker health and safety committees that help monitor and advice on occupational health and safety programs* 

In the Nordic countries, Uzbekistan and Nepal, all employees are represented in formal joint management-worker health and safety committees. Such committees cover 77 (64) percent of our employees in total. 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.

Training and education

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

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 2012 this process involved 1,024 (326 female and 698 male) managers and 276 (147 female and 129 male) 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's skills; and reward performance.

Regular performance and career development reviews are in place in most countries. They are conducted according to local standards and agreements.

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* 

LA13 - Total workforce by gender broken down by region

Country	Female	%	Male	%	Total workforce 2012
Nordic	6,511	42	9,010	58	15,521
Baltic	3,285	47	3,731	53	7,016
Eurasia	2,315	46	2,688	54	5,003
Other countries	92	31	206	69	298
Total	12,203	44	15,635	56	27,838

LA13 - Managers by gender

Gender	Total workforce 2012	%	Total workforce 2011	%	Total workforce 2010	%
Female	1,166	34	1,137	34	1,066	34
Male	2,262	66	2,208	66	2,109	66
Total	3,428		3,345		3,175	

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). The gender division of total workforce has stayed approximately the same during 2010-2012, varying only within 0.3 % percentage points.

LA13 - Total workforce by age group

Age	Total workforce 2012	%	Total workforce 2011	%	Total workforce 2010	%
< 30 years	8,345	30	8,115	29	7,889	28
31-50 years	14,289	51	14,551	52	14,781	52
> 51 years	5,205	19	5,318	19	5,881	21
Total	27,838		27,983		28,551	

> GRI Report 2012

In terms of age structure there are considerable differences across the group. Overall, 30 percent of our workforce are under 30 years old, 51 percent are between 31 and 50, and 19 percent are over 51 years old. In the Eurasian countries the figures show a quite different picture, with 55 percent under 30, 42 percent aged between 31 and 50, and just 3 percent over 51.

From the nine Group Management members four were below 51 and five above. From the eleven members of the Board of Directors one was below 51.

6.4 Human rights

Investment and procurement practices

HR1. *Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening* 

See page 9. Sustainability Risks – Sustainability as part of major investment decisions.

HR2. *Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken* 

See page 16. Sustainability in supply chain.

Non-discrimination

HR4. *Total number of incidents of discrimination and actions taken* 

In 2012 we had four reported cases.

In Sweden a trade union called Unionen requested a local dispute negotiation regarding a recruitment case in Malmö during spring 2012. Union claimed that TeliaSonera had discriminated an applicant due to ethnicity when not hiring the applicant and called for economic compensation. TeliaSonera dismissed the claim and stated that we have a clear recruitment process where the selection of candidates is based on facts regarding match with the competency profile for the role and relevant previous experience. The same recruitment procedures were used on all applicants. The case ended in disagreement after central negotiations and no further actions has been taken after that.

In 2012 in Denmark an employee whose contract had been terminated contacted The Danish Board of Equal Treatment more than 1.5 year after the termination. The employee claimed that the termination was connected to age. TeliaSonera replied through Dansk Industri (The Employers' Association), which replied the former employee that they can't see that the age was the reason for contract termination. TeliaSonera is waiting for the reply from The Board of Equal Treatment.

In 2012 there were two grievance cases related to discrimi-

nation in recruitment process in Ncell Nepal. The internal case was solved when employee withdraw the complaint after discussing with company management. The second case was related to external job applicant who complained to TeliaSonera after a first interview in which the applicant was not selected for further process. Ncell management contacted the plaintiff and the case was closed.

Freedom of association and collective bargaining

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* 

See page 8. Sustainability Risks and page 16. Sustainability in supply chain.

Child labor

HR6. *Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor* 

See page 8. Sustainability Risks

Forced and compulsory 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* 

See page 8. Sustainability Risks

Assessment

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

See page 12. Human Rights - Human Rights Impact Assessment

Remediation

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

See page 15. Anti-corruption - Compliance and whistle-blowing.

**6.5 Society
Local Community**

SO9. *Operations with significant potential or actual negative impacts on local communities* 

See SO10

> GRI Report 2012

SO10. Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities

Impact in all markets	Prevention and Mitigation
Customer privacy and freedom of expression	Customer's privacy, in the context of possible governmental surveillance and freedom of expression, represents a growing challenge for the whole telecommunications industry. See page 11. Human Rights
Electromagnetic fields	<p>There is increasing concern about public exposure to electromagnetic fields (EMF) due to the increased number of mobile terminals, base stations and mobile handsets. TeliaSonera acknowledges these concerns. We are committed to work pro-actively and transparently in related initiatives. We cooperate with the authorities, associations and organizations, and support independent research in this area.</p> <p>TeliaSonera acts in accordance with EU 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) and national authorities. With regard to handsets, the ICNIRP guidelines and the European CENELEC standards are followed allowing a maximum specific absorption rate (SAR) value of 2 watts per kilogram 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.</p> <p>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 fulfils the requirements set by local authorities in all countries.</p> <p>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.</p> <p>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. www.gsma.com/publicpolicy/mobile-and-health/gsma-research/.</p> <p>All related projects are being funded by the mobile phone industry jointly with governments and national health agencies in ways that ensure the scientific independence of the research. For more information about this subject see www.teliaSonera.com/en/about-us/public-policies/.</p>
Protection of children	<p>Telecommunication services can be used as a vehicle for the sexual abuse of children. We see it as our duty is to protect children in collaboration with the authorities and other stakeholders. We have taken an ethical standpoint against child sexual abuse material.</p> <p>Our work is guided by a Group-level instruction on efforts to combat child sexual abuse. In Finland, Estonia, Norway and Sweden, TeliaSonera provides parents with tools ('Parental Controls') to limit their children's internet usage. Our work in this area involves running our own initiatives, establishing partnerships and participating in wider initiatives.</p> <p>TeliaSonera is a founding member of the EU CEO Coalition to Make the Internet a Better Place for Kids. The Coalition has defined suitable and practical solutions to real problems. It focuses on issues such as: simple and effective reporting tools for users; the wider availability and use of parental controls; and effective takedown of child abuse material. The CEO Coalition will finalize its work in early 2013. Work will then continue under the ICT Coalition's principles for the safer use of connected devices and online services by children and young people in the EU. TeliaSonera joined both coalitions in December 2011.</p> <p>TeliaSonera 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.</p> <p>In several countries TeliaSonera 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 blocked.</p> <p>TeliaSonera is 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.gsma.com/publicpolicy/myouth/mobiles-contribution-to-child-protection/mobile-alliance/).</p> <p>We have also installed NetClean software in our internal systems to block access to child sexual abuse images. If anyone using our internal systems types the address of an internet-page containing child sexual abuse images, the search will be blocked and a warning page will appear on the screen.</p> <p>The purpose of blocking access to child sexual abuse images is twofold. It enables us to protect our customers and employees who might accidentally reach pages containing such images. More importantly, we hinder the recruitment of new abusers of such material, and thereby stem the demand for new abuses of children.</p> <p>In order to make the internet a safer place for kids, we are also working with the Swedish network Surfa lugnt (www.surfalugnt.se). This network, whose name means 'Surf in peace', aims to increase the safety and security of young internet users.</p>

> GRI Report 2012

Corruption

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

See pages 8 Sustainability risks and 14 Anti-corruption work.

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

In 2012 various anti-corruption training was organized, but we did not collect information on the amount of participants. See page 14. Anti-Corruption – E-learning tool

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

See page 6. Stakeholder Engagement and page 18. Sustainability in Eurasia

Public policy

SO5. *Public policy positions and participation in public policy development and lobbying* 

See page 15. Anti-corruption – Relations with governments and authorities

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* 

See page 15. Anti-corruption work-Compliance and whistle-blowing

Compliance

SO8. *Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations* 

See page 15. Anti-corruption work-Compliance and whistle-blowing

6.6 Product responsibility**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* 

See SO9 and SO10

TeliaSonera's most important responsibility in relation to product life cycles concerns the electromagnetic fields (EMF) emitted by mobile phones and base stations.

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 had no non-compliance incidents in 2012.

Product and service labelling

PR4. *Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes* 

In 2012 we were involved in two cases related to possible non-compliance with regulations and voluntary codes concerning products and service information and labeling. Both cases were non-significant. In one of the cases we got a small fine for not having translated all information to a local language available on original packaging of item sold.

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

We have monitored customer satisfaction with the help of Extended Performance Satisfaction Index (EPSI) surveys since 2007. These surveys compare our performance across the Group and also with our industry peers on an annual basis. EPSI surveys measure 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 points means that a company is serving its customer base well. Our objective is to reach a score of 77. In 2012, EPSI surveys were conducted for our operations in ten countries, and our overall customer satisfaction rating was 69.1 (70.6 in 2011). Our score has thus remained fairly high, though short of our ultimate target, and overall we 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.

> GRI Report 2012

Marketing communications

PR6. *Programs for adherence to laws, standards and voluntary codes concerning marketing communications including advertising, promotion and sponsorship*

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. We are also committed to OECD Guidelines for Multinational Enterprises, which among other corporate responsibility themes, calls for responsibility in marketing communications. The TeliaSonera group's sponsorship strategy complies with the International Code Council's International Code on Sponsorship.

In addition, 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.

Customer privacy

PR8. *Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data*

See page 13. Human Rights – TeliaSonera Group Privacy Policy

Compliance

PR9. *Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services*

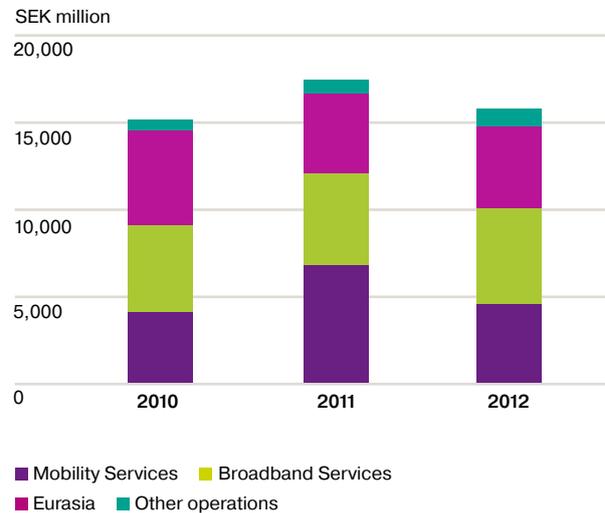
No cases reported in 2012.

6.7 Telecom sector specific Investment

IO1. *Capital investment in telecommunication network infrastructure broken down by country/region*

To improve network coverage, TeliaSonera continuously invests in both mobile and fixed infrastructure. In 2012 we spent SEK 15,685 million (17,384) on such investments, 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.



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*

Most of our field work is outsourced, but even in these cases the safety of all field workers and maintenance personnel is a vital issue for us. Our revised Supplier Code puts a greater 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 own 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.

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

In our Eurasian region, our policies covering health and safety control procedures require management systems designed to ensure 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.

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

> GRI Report 2012

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. 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.

IO4. Compliance with ICNIRP standards on exposure to RF emissions from handsets

TeliaSonera complies with guidelines on handsets issued by the International Commission on Non-Ionizing Radiation Protection (ICNIRP).

IO5. Compliance with ICNIRP guidelines on exposure to RF emissions from base stations

All base stations supplied to TeliaSonera comply with the guidelines issued by the ICNIRP.

IO6. Policies and practices with respect to Specific Absorption Rate (SAR) of handsets

See SO10 and www.teliaSonera.com/en/about-us/public-policies/

Infrastructure

IO7. Policies and practices on the siting of masts and transmission sites including stakeholder consultation, site sharing and initiatives to reduce visual impacts

See SO10: Electromagnetic Fields

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

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. Masts are expensive to build, so it also makes financial sense to share them with other operators where this is practical and commercially viable.

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

Numbers of base stations by site types	2012	2011	2010
Stand-alone sites	18,170	11,828	13,422
Shared stand-alone sites	14,205	11,155	11,303
Sites on existing structures	17,681	23,116	16,895
Total	50,056	46,059	41,620

At present estimated 64 percent of our base stations are located at shared sites or on existing structures such as high buildings or highway lighting poles. In 2012 due to re-categorization by Ucell in Uzbekistan and Netcom in Norway the number of Sites from existing structures to Stand-alone sites varies from 2011.

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

See EC9

PA2. Policies and practices to overcome barriers for access and use of telecommunication products and services including: language, culture, illiteracy, and lack of education, income, disabilities and age

See EC9

PA3. Policies and practices to ensure availability and reliability of telecommunications products and services and quantify, where possible, for specified time periods and locations of down time

We strive to guarantee availability and reliability in our mobile networks by making improvements that enhance network dependability. We have a systematic 24/7 approach to disaster recovery, 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 the relevant policies on business continuity and crisis management. We strive to develop and maintain durable networks that can 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.

PA4. The level of availability of telecommunications products and services in areas where the organization operates

See Annual report / Company Presentation page 12. Markets and Brands

PA5. Number and types of telecommunication products and services provided to and used by low and no income sectors of the population

See EC9

> GRI Report 2012

PA6. Programs to provide and maintain telecommunication products and services in emergency situations and disaster relief

TeliaSonera is ready and willing 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 Azerbadjan, have the capacity to send alert SMSs about ongoing natural disasters to areas at risk. Ncell is currently improving its disaster preparedness with the purpose to raise the level similarly in all different areas. They also participate the TERA program together with Red Cross. The program allows communication via text messages in precise areas. The same program was used in Haiti to share information, for example on the major risk areas, locations and hygiene instructions. Ncell is also assessing, together with UNDP, the Early Warning System (EWS) needs in Nepal. They are looking for example possibilities to get mobile towers in difficult areas which otherwise would not have the network.

Access to Content

PA7. Policies and practices to manage human rights issues relating to access and use of telecommunication products and services

See page 11. Human Rights and page 18. Sustainability in Eurasia

Customer Relations

PA8. Policies and practices to publicly communicate on EMF related issues

See SO10 and <http://www.teliasonera.com/en/about-us/public-policies/>

PA9. Total amount invested in programs and activities in electromagnetic field research

TeliaSonera did not finance any related projects during 2012.

PA10. Initiatives to ensure clarity of charge and tariffs

See PR6 and TeliaSonera Openness policy: www.teliasonera.com/en/about-us/public-policies/

Resource Efficiency

TA1. Examples of the resource efficiency of telecommunication products and services delivered

See EN6

TA2. Examples of telecommunications products, services and applications that have the potential to replace physical objects (e.g.. Travel by videoconferencing)

See EN6

TA5. Description of practices relating to intellectual property rights and open source technologies.

See Annual Report page 27. Board of Directors Report / Innovation, Research and Development.

Auditor's Report on review of Sustainability Report



To the readers of the TeliaSonera Sustainability Report 2012

We have been engaged by the management of TeliaSonera AB (publ) to review pages 3 - 43 of the Sustainability Report for the year 2012. The Board of Directors and Executive Management team are responsible for the company's activities regarding environment, health & safety, social responsibility, and sustainable development, and for the preparation and presentation of the Sustainability Report in accordance with applicable criteria. Our responsibility is to express a conclusion on the Sustainability Report based on our review.

The scope of the review

We have performed our review in accordance with RevR 6 Assurance of Sustainability Reports issued by Far. A review consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report, and applying analytical and other review procedures. A review is substantially less in scope than an audit 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 an audit. Accordingly, we do not express an audit opinion.

The criteria on which our review is based are the parts of the Sustainability Reporting Guidelines G3.1, published by the Global Reporting Initiative (GRI), which are applicable to the Sustainability Report, as well as the accounting and calculation principles that the company has developed and disclosed. We consider these criteria suitable for the preparation of the Sustainability Report.

Our review has, based on an assessment of materiality and risk, included e.g. the following procedures:

- a. update of our knowledge and understanding of TeliaSonera's organization and activities,
- b. assessment of suitability and application of the criteria regarding the stakeholders' need for information,
- c. assessment of the outcome of the company's stakeholder dialogue,
- d. interviews with management at group level and at selected business units in order to assess if the qualitative and quantitative information stated in the Sustainability Report is complete, accurate and sufficient,
- e. examination of internal and external documents in order to assess if the information stated in the Sustainability Report is complete, accurate and sufficient,
- f. evaluation of the design of selected systems and processes used to obtain, manage and validate sustainability information,
- g. analytical procedures of the information stated in the Sustainability Report,
- h. a reconciliation of financial information with TeliaSonera's Annual Report for the financial year 2012,
- i. assessment of the company's declared application level according to the GRI guidelines,
- j. assessment of the overall impression of the Sustainability Report, and its format, taking into consideration the consistency of the stated information with applicable criteria,

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the information in the Sustainability Report has not, in all material respects, been prepared in accordance with the above stated criteria.

Stockholm, March 7th, 2013
PricewaterhouseCoopers AB

Anders Lundin
Authorised Public Accountant

Fredrik Ljungdahl
Expert Member of Far

Contacts and feedback

Feedback on this report

Receiving feedback is an important part of our sustainability reporting process. It helps TeliaSonera to address environmental and social issues that matter most to our stakeholders.

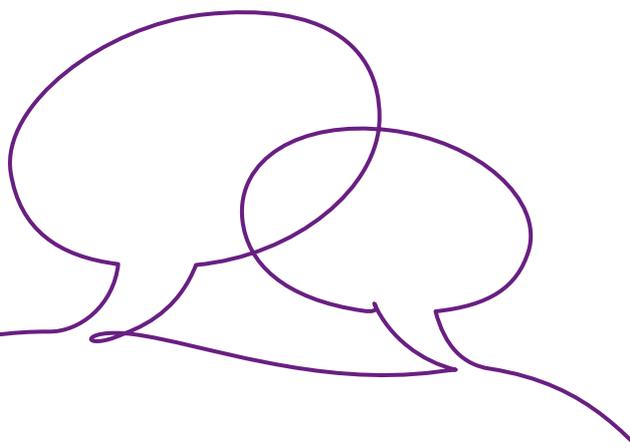
We welcome feedback at
sustainability-group@teliasonera.com

Contact TeliaSonera

Mailing address:
TeliaSonera AB
SE-106 63 Stockholm
Sweden

Visiting address:
Stureplan 8, Stockholm
Telephone: +46 (0)8 504 550 00
Fax: +46 (0)8 504 550 01

Group Sustainability
Eija Pitkänen
Mailing address:
TeliaSonera AB
SE-106 63 Stockholm
Sweden
Telephone: +358 2040-24100
Fax: +358 2040 63677
Email: sustainability-group@teliasonera.com



Production: TeliaSonera AB Group Sustainability in cooperation with Narva
Photo: TeliaSonera

TeliaSonera provides network access and telecommunication services that help our customers communicate in an easy, efficient and environmentally friendly way. International strength combined with local excellence is what makes us truly unique – and provides a world class customer experience, all the way from the Nordic countries to Nepal.

