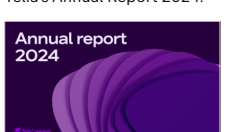
Climate Transition Plan

Telia Company

Contents

This climate transition plan reflects the EFRAG-suggested CSRD-aligned format. This plan has not been validated by an external party. An extract of this plan is subject to limited assurance and is available in Telia's Annual Report 2024.



A message from our President and CEO

Turning targets into actions

Climate change is a global challenge, which makes climate action a shared responsibility. This Climate Transition Plan outlines how Telia is executing on our commitment to a low-carbon future. It also shows that our strategy and business model align with the transition to a more sustainable economy. In the following pages, we describe our climate targets, priorities and actions, and talk about the risks and opportunities we see.

Starting with our targets, we have set a clear ambition for Telia to reach net-zero emissions by 2040. This target has been approved by the Science Based Targets initiative (SBTi). By 2030, we are aiming to achieve the following, also in line with science:

- A 90% reduction in greenhouse gas (GHG) emissions in our own operations (scope 1 and 2) – so far reduced by 80%
- At least a 50% reduction in GHG emissions in our value chain (scope 3).

Telia's products and services are a key focus of our transition plan. Changing our offerings is vital both for our own adaptation to climate change, and to help mitigate this change. We have made considerable progress in reducing the climate impact of our own operations, mainly by using 100% renewable electricity to run our networks. Our business also brings us opportunities, such as helping our customers to become more energy-efficient by using our digital services.

At the same time, we recognize that 98% of Telia's emissions come from outside our own operations. The vast majority – approximately 80% – are from our supply chain. As a result, our plan focuses on reducing emissions from the products and services that we purchase from suppliers.

We are working to develop a supply chain consisting of suppliers that are actively reducing their emissions in line with a 1.5°C global warming scenario. Suppliers representing 62% of the emissions in our value chain have already set reduction targets in line with science. We have initiated a closer dialogue with nine suppliers that together account for almost a third of the emissions in our value chain, with the aim of identifying further ways to reduce emissions from the products and services that we buy from them.

All this remains work in progress, with uncertainties attached. Our reduction plan is based on several assumptions – in particular, that our key suppliers will lower emissions in line with their targets. We are playing our part by being active in our purchasing choices, and through building value-adding collaborations with our key suppliers.

We continue to develop a methodology that captures Telia's exposure to climate risk as accurately as possible. We also continue to explore new ways of integrating climate considerations into our company's processes.

The stakes are high, and so are the expectations on Telia to get this right. Customers, employees and investors are increasingly looking at sustainability aspects of a company. We see strong momentum in the regulatory agenda, where the European Union (EU) Green Deal, for example, aims to make Europe the first climate-neutral continent. Companies are expected to play a leading role in this transition, for example through setting more ambitious sustainability targets and complying with increased reporting requirements, including the EU-wide Corporate Sustainability Reporting Directive.

Alongside customers, employees and investors, we have another stakeholder – our society and planet. Addressing climate change is a major task facing all of us today, and everyone at our company is committed to ensuring we play our part and reach our goals. At Telia, we deliver on what we say.

Patrik Hofbauer
Telia Company President and CEO

Telia's climate work in brief

We are committed to achieving our net-zero GHG emission target for 2040, and are adjusting our strategy and business model to ensure compatibility with the transition to a low-carbon economy.

Telia's Climate Transition Plan outlines our strategy and roadmap to reduce emissions and adopt sustainable practices. It sets clear goals, actions and timelines to support global climate targets, such as achieving net-zero GHG emissions.

Telia's transition plan is structured around mitigation, adaptation and enablement:

As a technology pioneer that has been digitalizing societies for 170 years, Telia is well-placed to help drive decarbonization across our value chain and in society.

Mitigation:
Telia plans to reduce our GHG emissions in line with science-based targets aligned with the Paris Agreement's ambition to limit global warming to 1.5°C. Telia's reduction targets are largely reliant on our suppliers, as 98% of our GHG emissions come from outside our operations and the vast majority – approximately 80% – are within the supply chain. In addition to emission reductions, Telia continues to pursue energy efficiency improvements to limit the increase in our electricity consumption.

Adaptation:
Telia provides critical communication infrastructure and services to businesses and individuals in the Nordic and Baltic regions. Our adaptation work aims to ensure continuity in our offering, even in the event of extreme weather caused by climate change. We are also taking into account how the expectations of our customers in relation to our products and services may be affected by climate change. Furthermore, we are working to make our products low-carbon, energy-efficient and circular.

Enablement:
Telia provides the backbone of the digital society – connectivity. Digital solutions, such as remote meeting services and the Internet of Things (IoT), have great potential to help enable emission reductions and energy savings across industries. Telia envisions increasing numbers of customers demanding enabling solutions that help them reduce their emissions, and we intend to develop these offerings further.

Telia's ambitions and targets

- Telia is committed to reaching net-zero GHG emissions by 2040. Our target is approved by the SBTi and aligned with the Paris Agreement
- Since approximately 80% of Telia's GHG emissions come from the supply chain, the focus of our reductions is on suppliers and purchasing practices
- Telia's medium-term goal is to reduce GHG emissions by 50% by 2030
- Each Telia country is responsible for delivering reductions in their daily operations
- Telia's offerings have the potential to help enable a net-zero and circular society

4%
of smartphones were sold as refurbished in 2024

62%
of total supply chain GHG emissions covered by science-based targets end of 2024

100%
renewable electricity throughout our own operations since 2020

80%
absolute GHG emission reductions in own operations since 2018

A better Telia

In September 2024, we presented an updated company strategy for the next three years. It sets out where we operate, how we win and how we get it done, as well as defining the results we want.

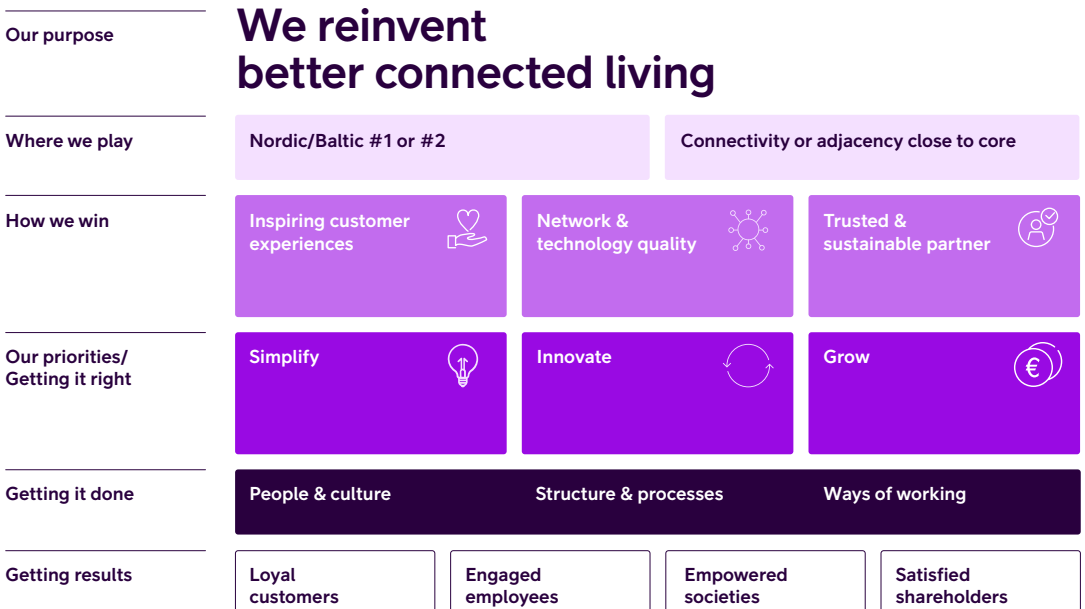
While our purpose, “We reinvent better connected living”, remains at the core of everything we do – ensuring that we constantly innovate and challenge ourselves to do better for Telia, our customers, our owners, the societies of the Nordics and Baltics, and for our planet – we have introduced a clear set of priorities to make Telia even more successful over the coming years. In short, we aim to Simplify, Innovate and Grow.

By being a trusted and sustainable partner, we drive customer loyalty and satisfaction, attract and retain talent, and retain the confidence of our investors.

Trust is built by delivering on customer expectations, every day.

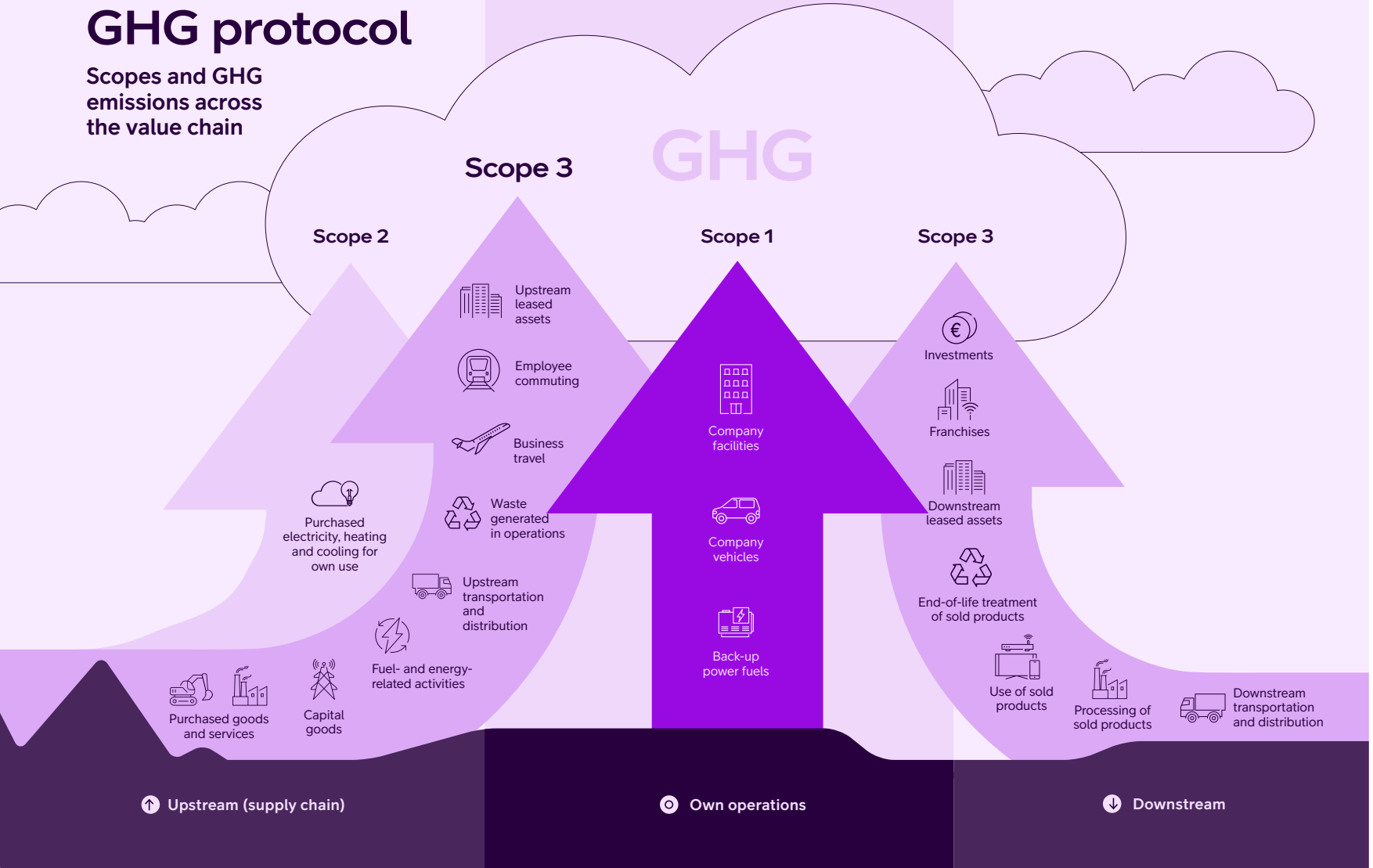
We integrate sustainability into everything we do, maximizing our potential to have a positive impact on the world.

Our strategy



GHG protocol

Scopes and GHG emissions across the value chain



The GHG Protocol Corporate Standard classifies a company's greenhouse gas (GHG) emissions into three scopes:

Scope 1 emissions are direct emissions from owned or controlled sources.

Scope 2 emissions are indirect emissions from the generation of purchased energy.

Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain, including both upstream and downstream emissions.

Scope 3 categories

Upstream

1: Purchased goods and services
2: Capital goods
3: Fuel- and energy-related activities (not included in scope 1 or scope 2)
4: Upstream transportation and distribution
5: Waste generated in operations
6: Business travel
7: Employee commuting
8: Upstream leased assets

Downstream

9: Downstream transportation and distribution
10: Processing of sold products
11: Use of sold products
12: End-of-life treatment of sold products
13: Downstream leased assets
14: Franchises
15: Investments

CO_2e (carbon dioxide equivalent) represents all greenhouse gases in calculations. CO_2 is the most material greenhouse gas for Telia's operations.

Upstream refers to activities before a company's operations, like sourcing raw materials, while downstream covers activities after production, such as distribution and product use.

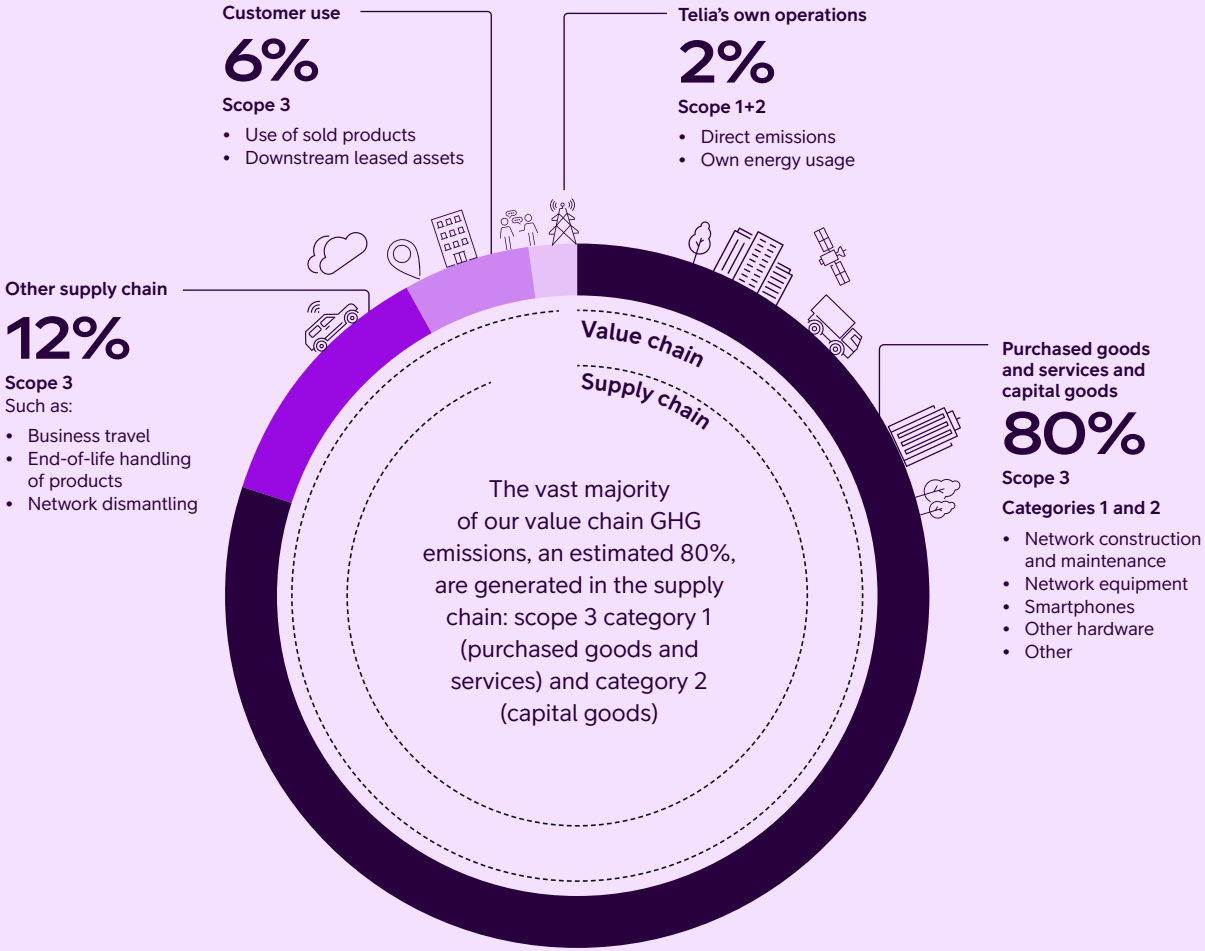
This is where Telia's emissions come from

Most of Telia's total value chain GHG emissions, an estimated 80%, are generated in our supply chain, compared with only 2% generated in our own operations.

Working closely with suppliers to ensure GHG emission reductions is therefore the key to achieving our goals. In the sourcing process, Telia assesses suppliers' climate management maturity so that we can reward the best performers and influence the others. Telia continues to engage with our suppliers and to encourage them to set science-based targets. By year-end 2024, suppliers responsible for 62% of Telia's total supply chain GHG emissions from purchased goods and services and capital goods were covered by targets approved by the SBTi or equivalent.

Supply chain refers to the network of entities and processes involved in the production, supply, transport and storage of goods.

Value chain encompasses a broader scope, including production, design, distribution, and other upstream and downstream business activities that impact people and the planet.



Reducing emissions and transitioning into a resilient company

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

- SBTi is a collaboration between CDP, UN Global Compact, We Mean Business Coalition, World Resources Institute (WRI) and World Wide Fund for Nature (WWF), which together are calling on companies to demonstrate their leadership on climate action by publicly committing to science-based GHG emissions reduction targets.
- Net-zero is when the amount of GHG emissions has been reduced in line with the Paris Agreement's ambition to limit global warming to 1.5°C, and the remaining GHG emissions are neutralized.
- Voluntary carbon offsetting (neutralizing) is a climate action that enables individuals and organizations to compensate for the remaining emissions that are hard to reduce, by supporting climate-relevant projects.

Telia's climate commitments

2022

- 100% renewable electricity in Telia's own operations (achieved already in 2020)
- Balancing remaining GHG emissions from Telia's own operations by purchase of voluntary carbon credits

2025

Short-term science-based targets:

- Reduce GHG emissions in Telia's own operations by 50% (achieved already in 2020)
- Reduce GHG emissions related to use of sold and leased products by 29%
- Suppliers responsible for 72% of GHG emissions from purchased goods and services and capital goods to have set science-based targets or equivalent

Circularity: 84% of waste from Telia's own and network operations to be reused or recycled

2026

- Achieve an A score in CDP's external climate disclosure
- Limit electricity consumption increase to 7% compared with 2022, at the same time as mobile data traffic in own networks is expected to double
- Extend the lifetime of devices through increasing sales of refurbished smartphones (B2C) and increasing sales of smartphones provided as "Device as a Service" (B2B)

2030

- Reduce GHG emissions in the value chain (scope 3) by at least 50%
- Reduce GHG emissions in own operations (scope 1 and 2) by 90%

Circularity: 100% of waste from Telia's own and network operations to be reused or recycled

2040

Achieve net-zero emissions:

- Reduce value chain GHG emissions (scope 1, 2 and 3) by 90% in line with the SBTi Net Zero Corporate Standard
- Offset (neutralize) residual GHG emissions

Emissions reductions will accelerate as suppliers gradually transition

Telia's focus for our targets and transition plan is on the supplier level, as approximately 80% of our GHG emissions come from suppliers and mainly from purchased goods and services.

We have analysed where our GHG emissions come from, and identified three categories of purchased goods and services representing the majority of our emissions. These categories are:

- Network equipment
- Network construction and maintenance
- Smartphones and other hardware.

Nine suppliers within these categories represent almost a third of all GHG emissions in our supply chain, and 50 suppliers account for about 46%. For this reason, we intend to focus our initial actions on constructive dialog with these key suppliers.

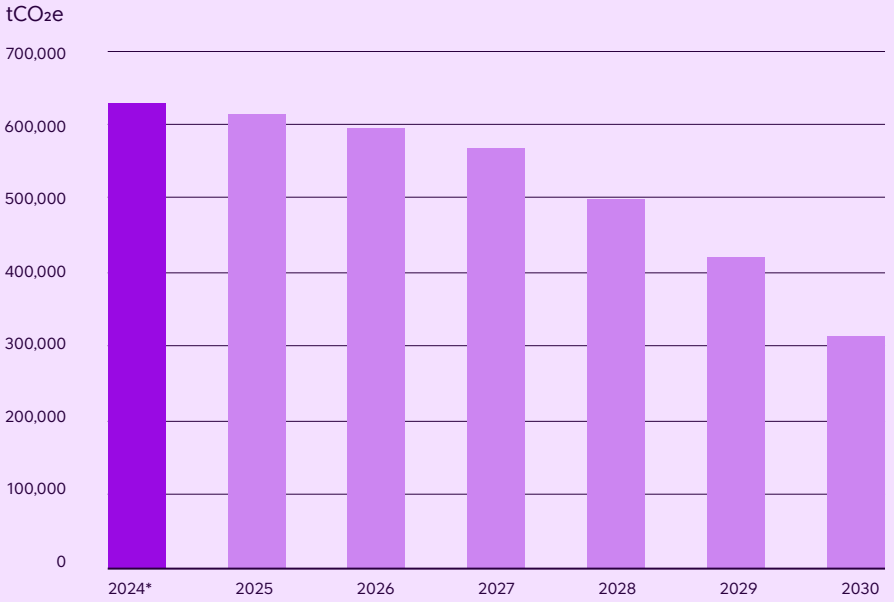
Our reduction plan is largely based on the assumption that suppliers representing most of the GHG emissions will themselves reduce their emissions in line with the science-based targets they set.

Our main suppliers have initiated activities to reduce their GHG emissions. However, the results of most of these activities will only become visible in a few years' time, as they are often related to production processes that take time to change. This means that we are forecasting an increase in reduction rates over the coming years, with a greater effect at the end of the period.

In the same way, Telia's own reduction activities are planned to expand in the coming years, resulting in greater effects over time.

Year	Target % reduction (scope 3 emissions) compared with 2024*
2025	2%
2026	5%
2027	10%
2028	21%
2029	33%
2030	50%

Scope 3 emissions reduction pathway



* For the purpose of illustrating our approach and estimated reductions, 2024 has been used as a proxy baseline, as the 2018 original baseline scope 3 numbers are not comparable due to updates in methodologies and emission factors done during 2024. During 2025, we will work to re-balance the baseline to ensure comparability for effective progress tracking.

Telia's emissions reduction plan 2025–2030

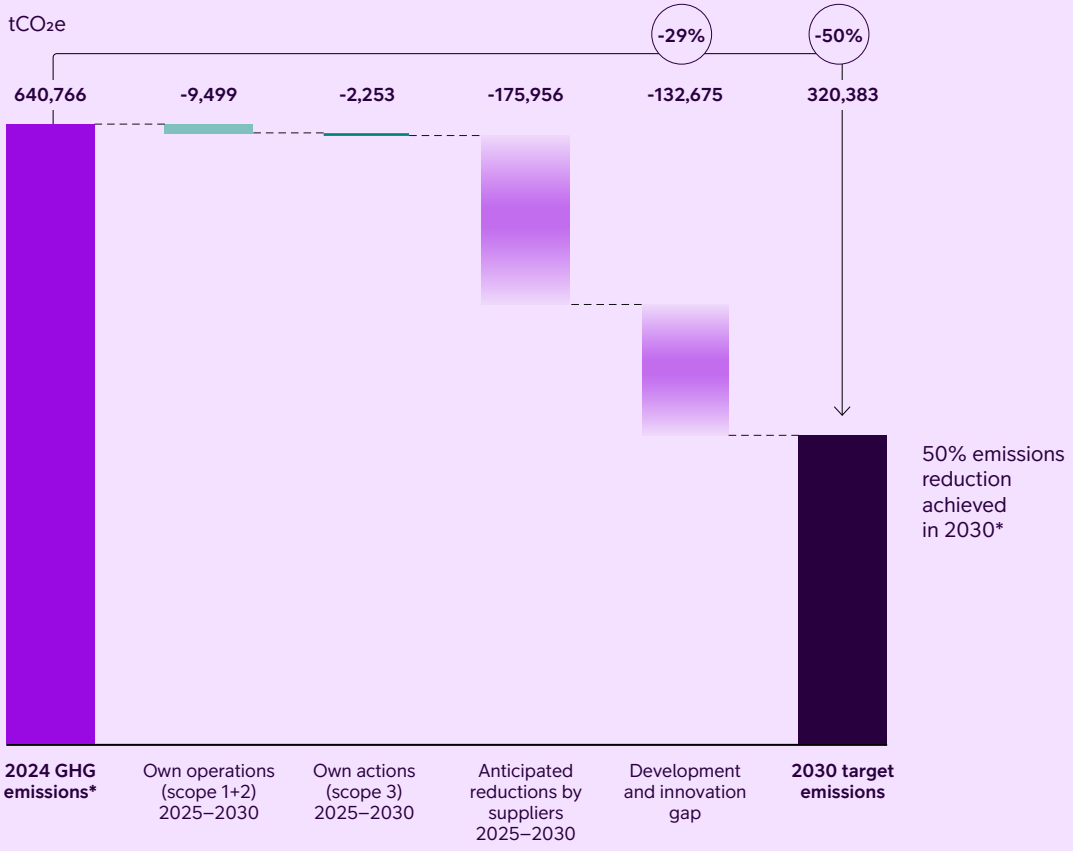
To reach our 2030 GHG emission reduction targets, we have outlined key climate mitigation actions for our own operations and value chain.

As around 80% of our GHG emissions are generated in the supply chain, the 2030 outcome is largely dependent on the success of our suppliers in reducing their emissions and the impact of this reduction, as well as Telia's ability to change our purchasing behavior.

Anticipated reductions by suppliers
In the target scenario, we assume that our top 50 suppliers by emissions, representing around 46% of emissions, reduce their GHG emissions by 50% from the 2024 baseline. We also assume that the suppliers' reductions will directly impact products that Telia purchases from these suppliers.

Development and innovation gap
As we cannot guarantee that all our suppliers will reduce their GHG emissions by 50% by 2030, reaching the 2030 target will require further development and innovation. This is taken into account in the reduction plan outline.

Telia's emissions reduction plan 2025–2030



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Actions driving progress

Telia is actively working on identifying and developing decarbonization levers to achieve our target of reducing our GHG emissions by 50% by 2030.

While we are still in the process of quantifying the specific contributions of each lever, we have identified several key areas that will play a significant role in achieving the target:

- Reduce GHG emissions from our own operations
- Decreased smartphone sales volumes – consumption reduction
- Increased share of refurbished smartphones sales – substitution of products
- Supplier GHG emissions reductions.

Actions to reduce emissions from our own operations

Only 2% of Telia's GHG emissions come from our own operations, linked to our mobile and fixed networks and purchased energy. The shift to renewable electricity has contributed to an 80% reduction in GHG emissions in our own operations, compared with 2018. Our work in this area continues, and we plan to reduce our GHG emissions here by 90% by 2030.

Our energy strategy is a key driver in reducing scope 1 and 2 emissions, as described further in the Energy section.

Key actions planned to help us achieve the scope 1 and 2 reduction targets are found in the table below.

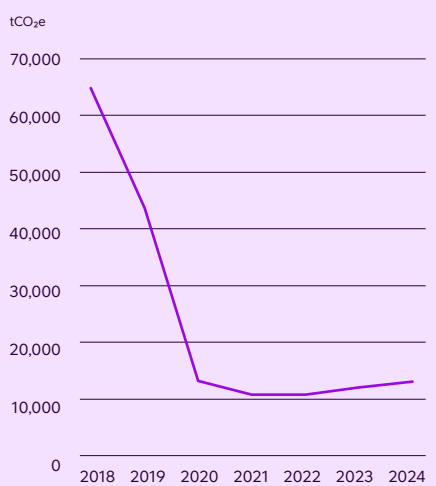
Key actions planned to help us achieve the scope 1 and 2 reduction targets:

Electrification	Renewable energy	Change of process
Electrification of Telia's car fleet Replacing fossil-based heating in technical sites with electric solutions	Changing to bio-based fuels Changing to renewable district heating Continued sourcing of renewable electricity	Selecting refrigerants (i.e. F-gases) with lower global warming potential (GWP) and optimizing technical sites to avoid refrigerant leakage

Achieving our GHG emission reduction targets is dependent on several key assumptions:

1. Continued sourcing of renewable electricity
2. Suppliers reducing their emissions in line with science
3. Addressing the development and innovation gap between anticipated reduced emissions from key suppliers and the reduction target

GHG emissions reductions from own operations (scope 1 and 2 market-based)



Scope	Emissions 2024 (tCO_2e)	Base year 2018 emissions (tCO_2e)
Scope 1	5,473	9,142
Scope 2	82,512 (location-based)	136,077
	7,670 (market-based)	55,734
Scope 3	627,623	N/A*

Scope	Year	Target emissions (tCO_2e)
Scope 1	2025	4,571
	2030	914
	2040	914
Scope 2 (market-based)	2025	27,867 (target already achieved)
	2030	5,573
	2040	5,573
Scope 3	2025	615,071
	2030	313,811 (-50% compared with baseline*)
	2040	62,762 (-90% compared with baseline*)

* For the purpose of illustrating our approach and estimated reductions, 2024 has been used as a proxy baseline, as the 2018 original baseline scope 3 numbers are not comparable due to updates in methodologies and emission factors done during 2024. During 2025, we will work to re-balance the baseline to ensure comparability for effective progress tracking.

Actions to reduce GHG emissions in scope 3

Reductions in scope 3 will to a very large extent depend on how our suppliers reduce their emissions. However, there are actions that we can manage and steer ourselves. These actions relate to reduction of total consumption of hardware and to substitution of current hardware to low carbon hardware.

Decreased smartphone volumes – consumption reduction
Telia foresees a decline in sales volumes of smartphones during the period 2025-2030. This is a trend in the market, and will also happen as a result of our own activities to help our customers to keep their devices longer by offering lifecycle-extending services such as repair, insurance and trade-in.

Increased share of refurbished smartphones – substitution of product
We know that refurbished devices (including smartphones and home devices such as broadband routers and TV set-top boxes) have a lower carbon footprint compared with new devices. For this reason, Telia aims to increase the share of refurbished smartphones we sell. We aim to make low-carbon, more circular choices more widely available for consumers. According to a recent report by GSMA*, fast-changing consumer attitudes towards repair and reuse of mobile phones are driving a rapidly growing market for "circular" devices and services.

* https://www.gsma.com/newsroom/press-release/70-of-consumers-are-willing-to-pay-a-premium-for-environmentally-friendly-phones-finds-new-gsma-report/

Actions to reduce supplier GHG emissions

Since approximately 80% of our value chain GHG emissions are within the supply chain**, working closely with suppliers both to push and to enable them to transition to a low-carbon reality is key in achieving our climate goals. Our top priority is to shift our purchasing approach systematically, and over time, develop a supply chain that consists of suppliers that are actively reducing their emissions. We expect our suppliers, sub-suppliers and distributors to implement sustainable business practices and to be transparent about their challenges. Choosing suppliers with good sustainability practices is a way for us to have a positive influence on our supply chain.

Climate criteria integrated in our supplier selection process
In 2021, we strengthened our supplier requirements to match our environmental goals, asking our suppliers to commit publicly to reducing their GHG emissions with the ambition level of meeting the 1.5°C scenario and to set science-based targets. Each supplier receives a climate score that reflects the maturity of their climate work to date, including if the supplier is using renewable energy and if it has adopted science-based targets. This score is considered when selecting suppliers.

**from purchased goods and services and capital goods (scope 3 categories 1+2)

Supplier engagement program in place since 2019
We engage with suppliers in various ways, in the day-to-day sourcing process as well as through meetings with top management of strategic suppliers. These meetings give us an opportunity to discuss our expectations and to highlight the need for collaboration.

One of our goals is for suppliers that represent 72% of total supply chain GHG emissions to set science-based targets by 2025. By year-end 2024, 62% of supply chain GHG emissions were covered by such targets, approved by SBTi or equivalent. In some cases, the suppliers set these targets as a direct result of our engagement. An additional 9% had committed to setting such goals within two years.

Supporting SMEs in climate transition
Given that 40-50% of global GHG emissions originate from small and medium sized enterprises (SMEs), we have chosen to support the development of methods for SMEs to reduce their emissions. SMEs have several challenges in terms of sustainability, for example limited financial resources and lack of expertise. Therefore, we support and encourage our smaller suppliers to join the SME Climate Hub, which is a global initiative and platform designed to help SMEs align with net-zero emissions goals. The platform supports SMEs in practical ways, for example with a step-by-step guide on how to set climate targets. Currently, the ambition of SME Climate Hub is to mobilize 10,000 SMEs worldwide to make a climate commitment.

Key supplier categories by emissions

1. Network equipment
14%

2. Network construction and maintenance
17%

3. Smartphones and other hardware
30%

Telia's engagement has focused both on helping more SMEs to find the platform, and on contributing to its development through internal analysis and a pilot test with one of our suppliers, who is also a customer of Telia.

Increased supplier engagement
More than 60% of the GHG emissions in Telia's supply chain come from the purchases we make in three categories: network equipment, network construction and maintenance, and smartphones and other hardware. We have identified our key suppliers in these categories and plan to focus our work on these suppliers for maximum impact.

During 2024, we initiated a closer dialog with nine of these suppliers that together account for almost a third of the emissions in our value chain, with the aim of identifying further ways to reduce emissions from the products and services that we buy from them. Together, we will also look at their decarbonization plans and how they can be accelerated. The supplier target group will be systematically enlarged to help us reach our climate targets. We will continue to develop how we evaluate supplier climate ambitions, plans and performance during the sourcing and supplier selection process. We need to develop our tools, processes and knowledge further, in order to integrate climate more closely into our supplier selection and purchasing decisions.

We will also work with our industry peers to engage key suppliers of equipment or services used in the telecommunication sector and align with them on climate ambitions and opportunities for emissions reduction.

Key assumption of the transition plan regarding suppliers' emission reductions
For the purposes of the reduction plan, it has been assumed that 50 suppliers will reduce their GHG emissions in line with science, i.e. halve emissions by 2030. It is also assumed that the suppliers' GHG emissions reduction will directly impact products that Telia purchases from these suppliers.

Data management as a supportive measure
For our scope 3 emissions, we have less direct control of reduction activities, greater uncertainty about data availability and quality, and greater reliance on partners in our value chain. For these reasons, a key factor in reducing our scope 3 emissions is improvement in the quality of data inputs, emission factors and calculation methods. We continuously implement the latest available information and methodologies to help ensure calculations are reliable and up to date. Due to changes in methodologies and emission factors during the year, the 2024 results for scope 3 cannot be compared with Telia's 2018 baseline data. During 2025, Telia will work to re-balance the baseline to ensure comparability for effective progress tracking.

Development and innovation gap

We strive for transparency and recognize that achieving our 2030 target requires extensive work to ensure GHG emissions reductions in our supply chain, an area where we partly lack control. This represents a major risk to reaching our reduction targets. In this Climate Transition Plan, we have marked this as a proportion of emissions that currently lacks specific measures, i.e. a development and innovation gap. A plan for how to address the current gap between target and anticipated reduced emissions is being developed, with a focus on collaborating further with specific key suppliers to achieve the further reductions needed.

Collaboration across and beyond our value chain is necessary to achieve value-chain emissions reductions. We believe that addressing climate change requires collective action and are committed to joining forces with other businesses and organizations to amplify our impact, accelerate innovation and deliver results.

In action
Raising consumer awareness

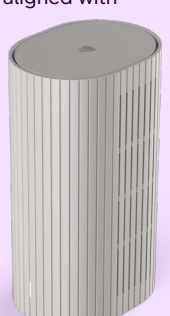
In recent years, Telia Estonia has built a system that helps customers to buy refurbished devices and to recycle their own devices.

In June 2024, Telia Estonia launched a campaign titled 'Rethink Renewed', which focused on creating awareness around the importance of recycling smartphones to prolong their lifecycle. The campaign resulted in heightened interest in and sales of refurbished devices. In English, the campaign name translates to "Find a new use – Together we give new life to devices".

In action
Designing for impact: Telia's Smart Router F2

Telia's Smart Router F2, launched in early 2025, reflects a collaborative effort by Telia's Product, Sourcing and Sustainability teams to prioritize environmental impact at every stage of product development. The router incorporates Broadcom's advanced chipset to reduce power consumption, with LED indicators being turned off during normal use. Its design avoids adhesives, reduces screw variety and enables easy disassembly, which supports refurbishment and recycling. The casing is made from 95% recycled plastic, and its plastic-free packaging uses FSC-certified recycled cardboard with QR-code instructions to eliminate paper inserts.

The supplier selection was aligned with Telia's climate targets, ensuring that the vendor was committed to near-term science-based targets. The router highlights how energy efficiency, recyclability and sustainable materials can support climate goals and responsible product development.



Energy – 100% renewable electricity to run our operations

Telia only uses renewable electricity, which accounts for 94% of our total energy use. The remaining fossil-based energy relates to district heating and cooling, vehicle fuels, natural gas and diesel used for backup power, for which we have begun to implement alternatives.

Telia's mobile networks are responsible for the most significant proportion of our total electricity usage, at 69%, followed by fixed network and data center operations, offices and shops. Our KPIs for electricity consider total consumption and the share of electricity consumption per subscription.

In 2024, the total energy consumption in our own operations was 1,1 TWh, driven by growing demand for digital services and the subsequent rise in data traffic. Since further increases in data traffic are expected, maintaining a strong focus on energy management is a key factor in reducing Telia's overall GHG emissions.

Current targets within the energy area are:

- Limit our electricity consumption increase to 7% compared with 2022, at the same time as mobile data traffic in our own networks is expected to double
- 100% renewable electricity in Telia's own operations (achieved already in 2020)
- Carbon offsetting of remaining GHG emissions from Telia's own operations, including business travel.

Key activities to reduce GHG emissions through our energy strategy

Renewing network hardware and introducing power-saving features: We continue to shift traffic to 5G, which is more energy-efficient than 4G, and implement power-saving features, reducing mobile network electricity usage by 5-8%. In December 2024, Telia's 5G network covered 95% of Sweden's population, an increase from 82% in December 2023. For all our markets, the 5G network population coverage was 97% at the end of 2024. We plan to explore advanced power-saving technologies, further optimize 5G networks and increase coverage.

Modernizing sites and decommissioning legacy networks: We phased out 88% of our copper networks in Sweden by 2024. In Sweden, our largest market, we aim to complete fixed legacy network decommissioning by 2026, and 3G mobile network decommissioning by 2025 and 2G by 2027. We are also closing down 3G in our other markets for efficiency purposes.

Using only renewable energy when possible: Since 2020, we have used only renewable electricity, primarily through the purchase of Guarantees of Origin, reducing our operational GHG emissions by 80% from 2018 levels. In 2022, we signed a Power Purchasing Agreement (PPA) in Estonia to secure wind and solar energy supplies. In addition, we are continuously assessing the business case for PPAs in our largest markets (Sweden, Finland and Norway).

Innovating around renewable energy: Our innovation includes:

- We install solar panel systems at mobile network sites. For example, 73 sites in Estonia have been equipped with solar panel systems, and solar panels installed at 32 Lithuanian sites has reduced grid consumption by 15% per site.
- Our electric vehicle fleet expanded to 17% electric and 31% hybrid vehicles in 2024.
- We have connected our Helsinki data center to the Finnish electricity market in such a way that the backup batteries can help balance production and consumption fluctuations while stabilizing the Finnish electricity grid.
- We sell excess heat from our Helsinki data center. In Sweden, we collaborate with real estate company SBB to use excess heat from Telia's data center in Haninge to heat school buildings, housing for the elderly and offices.

Four core areas of the energy strategy

1 **Innovations to mitigate energy consumption by the ICT sector**

2 **Become more energy-efficient**

3 **Use renewable energy and add more renewable energy to the grid**

4 **Enable other industries to reduce their energy use through digital services**

In action
Solar energy powering mobile network in Estonia

During 2024, we finalized the installation of solar panel systems at 73 Telia mobile sites in Estonia. The panels will deliver an estimated 1GWh of energy each year and enable tens of thousands of Telia's customers in the country to use mobile services powered by the sun, when conditions are right.

Collaborations to scale impact

We believe that addressing the systemic issue of climate change requires collective action and collaboration beyond our value chain. Collaboration and partnerships across our industry, and with external organizations, will increase our capabilities and broaden our perspectives. In turn, this will help us to innovate and deliver faster. As part of our Climate Transition Plan, we will continue to seek out partnerships and collaborations with stakeholders who share our sustainability ambitions, in order to help us achieve our climate goals.

GSMA – the global industry association for mobile operators is engaged in developing sustainability-related guidance for several areas, most notably human rights and climate. We are collaborating in various workstreams, including circular economy for devices, circular economy for network equipment and biodiversity. To help ensure sector alignment, we also contributed to the GSMA's guidance on scope 3 reporting for telecommunication operators.

Connect Europe – formerly known as ETNO, acts as a voice for the leading providers of connectivity networks and services in Europe. We have taken a forward-leaning position in driving policy development related to the EU Green Deal. This has included work to develop industry guidance related to the EU Taxonomy and to shape industry positions on various laws relating to circularity and the environmental impact of telecommunication networks.

Joint Alliance for CSR – in short JAC, is an association of telecommunication operators collaborating to develop and implement sustainability standards in their supply chains. Through JAC, members such as Telia share resources and best practices to improve sustainability work in telecommunication supply chains.

In action
Telia is a 1.5°C supply chain leader

Telia has joined forces with a group of major multi-national companies, including Ericsson, IKEA, BT Group and Unilever, to drive climate action across our respective supply chains as the 1.5°C Supply Chain Leaders. This is part of the Exponential Roadmap Initiative, in which Telia has been involved since the start.

The companies in the group, who have all committed to reducing greenhouse gas emissions across their value chains in line with the 1.5°C ambition, are also supporting a climate action platform dedicated to small and medium-sized enterprises – the SME Climate Hub.

To tackle the climate challenge, it is not enough for us to collaborate with the big global suppliers. We also need to engage with smaller, more local and often non-listed companies, to encourage them to commit to halving their GHG emissions by 2030. The SME Climate Hub provides simplified tools and practices to enable these companies to commit to the 1.5°C pathway.

Enabling societies to transform

Connectivity and digital solutions, such as remote meeting services and IoT, have the potential to improve resource efficiency and reduce emissions across industries.

Beyond Telia's own operations and those of our value chain, several studies, such as the Exponential Roadmap report*, have shown that connectivity and digital solutions have the potential to improve resource efficiency and reduce GHG emissions across sectors. As a result, there exists an opportunity for Telia in scaling IoT and 5G solutions that help customers and societies to decarbonize.

Enabling our customers to reduce emissions and save energy

Since 2020, we track "enablement effects" for some of our products and services, specifically remote meeting and IoT solutions for buildings, transport and utilities. Based on products and services delivered during 2024, we estimate that these categories enabled GHG emission reductions of approximately 400,000 tCO_2e in 2024.

In addition, Telia also measures energy reductions enabled by IoT. Many of the markets in which Telia operates have domestic electricity production with a high share of renewables. Therefore, for some applications the carbon enablement effect may be lower than in other geographies. However, electricity savings for such services are just as important to achieve, in order to enable the full phasing out of fossil fuels in the grid systems and limiting other types of environmental impacts. We estimate that in 2024, we enabled energy savings of almost 2,000 GWh through IoT solutions for smart buildings and utilities.

In addition to the above, the underlying connectivity we provide enables further reductions that are indirect or more distant and more difficult to capture. For example, as a connectivity provider we enable solutions provided by other digital players, including new sharing economy business models that significantly reduce both GHG emissions and resource use. Examples are remote work, online shopping and accommodation sharing.

Telia envisions increasing numbers of customers demanding enabling solutions that help them reduce their emissions, and we intend to develop these offerings further.

Accelerating the circular shift

The circular economy presents a new way of looking at waste and resources, both within companies' own operations and across industries. However, research from the World Economic Forum estimates that global e-waste volumes will increase by 140% between 2020 and 2050, if companies and governments continue on the route of business as usual.

Telecommunication companies are uniquely positioned in the ecosystem to act as an enabler for other industries to deploy digital and circular solutions, while acting on their own negative footprint. This is reflected in a joint report "The Shift: The role of telcos in the circular economy"** by Accenture and Telia, which shows that the global telecommunication industry can, by applying circular principles, unlock value that amounts to $45-80 billion annually by 2030.

* The Shift: The role of telcos in the circular economy

**https://exponentialroadmap.org/exponential-roadmap/

In action
Smart solutions drive sustainability for Pohjolan Liikenne

Pohjolan Liikenne, a leading public transport operator in Finland, is leveraging Telia's digital Smart Public Transport tools to enhance sustainability and efficiency. By equipping busses with Telia's onboard computer and services, they can monitor and manage various aspects of their operations in real time. Vehicle Climate Management automatically adjusts the bus onboard temperature to avoid unnecessary heating or cooling, thus saving energy and reducing GHG emissions. EcoDriving provides drivers with real-time feedback on driving habits, promoting more fuel-efficient and environmentally friendly driving. Automatic Passenger Count helps optimize bus schedules based on demand, further reducing operational costs and emissions. Through these solutions, Pohjolan Liikenne is enabled to achieve energy savings, lower GHG emissions and cut costs, all while enhancing the passenger experience.

Our Climate Transition Plan reduces risks

Climate change is associated with intensified and new risks for people and companies, requiring a proactive approach to climate adaptation for business resilience. The main risks identified by Telia in relation to climate change are connected to expectations on the product portfolio, supply of renewable energy at reasonable cost and the risk of network disruptions from weather events.

Telia conducts climate risk assessments to identify, evaluate and manage climate-related risks and opportunities that may impact the company's financial stability and operational continuity. The assessments address both physical and transition risks. Climate scenario analysis has supported the process, helping to assess relevant environmental, societal, and technology-, market- and policy-related developments related to rising temperatures.

Physical climate risk assessment

Telia has conducted physical climate risk assessments in all our markets, with analysis support from the Swedish Meteorological and Hydrological Institute (SMHI). Extending up to the year 2040, the assessment considered different climate scenarios and temperature thresholds to identify the most relevant indicators for the Nordic and Baltic regions, such as intensity of heatwaves and wind speeds.

These indicators highlighted that power outages and connection disruptions are key implications of physical risks. Cooling needs are also expected to increase as temperatures rise. Disruption risks are continuously monitored and handled via Telia's service continuity management process, and preventive actions are taken based on experiences from previous extreme weather events. Climate risk assessments are considered when planning and building networks in our markets. Through adaptation activities, Telia is better positioned to ensure business continuity despite extreme weather events.

Transition risk assessment

Transition risks and opportunities arise from changes in market conditions, stakeholder expectations, regulatory frameworks and consumer behavior driven by climate change. Telia's transition risks are assessed over short- (1–3 years), medium- (3–5 years), and long-term (5+ years) time horizons, aligned with our Enterprise Risk Management (ERM) framework.

The transition risk assessments are based on a climate scenario where global warming is limited to a maximum of 1.5°C above pre-industrial levels.

Two key transition risks have been identified:

1. Energy strategy
Our business depends on a continuous energy supply at a reasonable cost. Given our reliance on renewable electricity to power our networks, supply and price volatility present a financial risk. Telia's energy strategy focuses on energy efficiency and increased use of renewable energy. More details of the energy strategy can be found on page 14.

2. Product portfolio
There is an assumption that customers will increasingly demand low-carbon, circular, and energy-efficient products, as well as clear and substantiated environmental information. If we fail to meet these expectations, there is a risk of losing revenue and market share.

We are focused on ensuring that our key products and services are low-carbon, circular and energy-efficient. Priority products have been identified based on climate impact and revenue share, including:

- Device as a Service
- Refurbished smartphones
- Energy-efficient WiFi routers
- B2B communication services.

Resilience and financial implications

Telia's annual risk assessment process has been used for the identification of risks as well as for the assessment of such risks. Therefore, some of the risks covered under the double materiality process are part of the annual risk wheel and are integrated into Telia's tool for risk assessment and follow-up.

In recent years, Telia has conducted studies to test and strengthen our business resilience. Environmental resilience is now increasingly integrated into our operational processes. Environment is also one of the principal risk areas in Telia's ERM framework. Climate change considerations are embedded into business continuity management and product development, ensuring that Telia is well-prepared for climate change.

Telia's financial exposure to energy-related risks is judged to be low, due to ongoing efforts to control energy costs and improve energy efficiency. Transition risk related to the product portfolio could require additional investments in capital expenditure (CAPEX) and operational expenditure (OPEX) to develop new products and meet sustainability targets. This could increase product costs and impact financial performance and cash flow.

Ongoing development of climate risk management

We continue to refine the risk assessment methodology to improve how we capture exposure to climate risks. Insights from the double materiality assessment inform business strategy development, and residual risk levels are reported to senior management and the Board of Directors. As climate change evolves, Telia's processes will continue to adapt, ensuring that climate change considerations are embedded into our operational and strategic decision-making.

As part of the Corporate Sustainability Reporting Directive (CSRD), Telia's double materiality assessment evaluates both the financial impacts of climate risks and the company's impact on the climate. This comprehensive analysis provides Telia with a better understanding of the inherent risks, impacts and opportunities. The insights related to climate change mitigation, adaptation and energy, presented in the table below, support ongoing business strategy development and enable timely decision-making.

Material impacts, risks and opportunities	Value chain location
Negative impact/Actual: GHG emissions from Telia's value chain, in particular the supply chain	Upstream Own operations Downstream
Risk[1]: Failure to meet stakeholder expectations on low-carbon, energy-efficient and circular products and services	Own operations Downstream
Risk[1]: Lack of a resilient energy strategy	Own operations
Risk[2]: Failure to prepare for extreme weather events, such as storms, heavy rain, floods and heatwaves	Own operations
Opportunity: Opportunity to scale IoT solutions that help customers and societies to decarbonize	Own operations Downstream

1) Transition risk 2) Physical risk

Policies and governance

The Group Policy – Environment is Telia's guiding document for management of our climate work. The main purpose of the Policy is to help ensure that Telia manages environment-related impacts, risks and opportunities throughout our value chain, while meeting legal and stakeholder requirements and expectations.

The Policy applies to Telia Company AB, its subsidiaries and joint operations, and is signed by the Telia Company Board of Directors. Telia applies a structured management approach through ISO 14001 and other management standards.

Telia's Group-wide Governance Framework is approved by the Board of Directors. The main governing bodies are:

- The shareholders at the General Meeting
- The Board of Directors
- The Chief Executive Officer (CEO), assisted by the Group Executive Management (GEM).

The Delegation of Obligations and Authority (DOA) is the governing document that sets out the governance principles and decision-making process at Telia. The DOA is issued by the Telia Group CEO, defines how the Group CEO delegates obligations and authority, and sets expectations for GEM. GEM collectively owns Telia's environmental agenda, and its members are responsible for assessment and management of climate-related matters, including strategic business decisions, goal-setting and target execution.

In addition, a sustainability steering committee facilitates continuous strategic work, finds solutions related to sustainability barriers, risks and opportunities, and engages GEM as needed.

The integration of the transition plan into the business strategy is ongoing, as well as its integration with financial planning.

Telia's overall sustainability agenda and ambitions are thoroughly integrated into the company's business strategy. We are adjusting our strategy and business model to ensure compatibility with the transition to a sustainable economy.

Each of Telia's country operations are responsible for contributing to GHG emissions reduction, relative to the size of their business and volume of emissions, including securing the necessary resources as part of the business and financial planning process. Follow up on GHG emissions reduction progress, actions and gaps is done in the Quarterly Sustainability Reviews in GEM.

This Climate Transition Plan was approved by the Board of Directors in Q1 2025.

Each year, we report progress on our climate and environmental targets in our Annual Report, under the Sustainability Statements, which are limited assured.

Financial impacts of implementing actions

Climate action is a well-established part of the Telia strategy, and many of the initiatives described within this Climate Transition Plan are already underway and incorporated into our existing business plans and financial position. This is mainly the case for activities in our own operations (scope 1+2). Examples are investments in renewable electricity, transforming our facilities, energy efficiency measures and transitioning to low-carbon vehicles.

The main focus of the Climate Transition Plan is on our value chain, and suppliers in particular (scope 3). Telia's current view is that we do not need to, and should not, finance transition activities in the value chain. Hence, we currently see a limited additional financing need in relation to implementing this Climate Transition Plan.

A just transition

We seek to deliver a just climate transition that does no significant harm to the communities and people that we serve, or to the environment. Our climate transition could impact others in the social and environmental ecosystem within which we operate, and upon which we are interdependent. We are committed to identifying and managing any risks resulting from our climate-transition activities. We will engage with the relevant stakeholders to listen to their concerns and learn how we can deliver our transition whilst safeguarding their needs.

Telia's commitment to digital inclusion is important to enable a just transition, and to ensure everyone can participate in an increasingly digital – and hopefully more sustainable – society, and make use of the digital solutions we provide, which can decrease their climate footprint.

Mitigating climate change for future generations

Surveys repeatedly show that climate change and the unsustainable use of natural resources is of great concern to children. These phenomena already have a major impact on children's safety, health and well-being, and will fundamentally impact future generations. Telia's commitment to achieving net-zero emissions by 2040 is a response to this. We already view the ongoing climate crisis as one of the greatest threats to human rights, including children's rights.

If implementing the initiatives outlined in this Climate Transition Plan would require further allocation of resources and investment, this will be integrated into our financial planning. Any material impact on our financial statements will be identified and disclosed if appropriate, in line with our existing approach to financial reporting and associated standards.

Furthermore, Telia is exploring innovative funding mechanisms, such as green bonds, to raise capital for projects that support our transition to a low-carbon operation. Telia has developed a Green Bond Framework under which Telia Company issues green bonds. The company's commitment to transparency includes regular reporting on the use of these funds and their impact on our overall climate strategy.

Climate and energy management systems

The Telia Management System is developed in accordance with several international standards. The management system is certified according to several ISO standards, but certificate scopes vary according to market requirements.

All our markets are covered by ISO14001 certification. In addition, the following applies regarding energy management:

- STEMFS certification in Sweden
- ISO50001 certifications in Estonia and Finland
- Energy management working groups in each country.

Climate-related incentives

GHG emission reduction is one of seven company KPIs and one of three non-financial KPIs. Members of GEM have sustainability goals integrated with their personal development plans and annual objectives and key results (OKRs). Telia's GEM members do not receive variable pay, either monetary or non-monetary, by request of the company's largest owner (the Swedish state).

Three sustainability targets are included in the long-term incentive program applicable to key employees (approximately 250 people). These relate to climate, digital inclusion and privacy. This setup enables sustainability-related aspects to be integrated into the annual performance evaluation of key employees, and supports Telia's efforts to deliver on our sustainability goals. 15% of the long-term incentive program is related to sustainability KPIs. Each goal and its associated KPI, as detailed below, represents 5% of the program.

	Active long-term incentive programs		
	2024-2027 metric	2023-2026 metric	2022-2025 metric
Climate 5% of total	Achieve an A score in CDP's external climate assessment	Engage with suppliers so that suppliers responsible for 72% of GHG emissions from purchased goods and services and capital goods have set science-based targets	Engage with suppliers so that suppliers responsible for 72% of GHG emissions from purchased goods and services and capital goods have set science-based targets

Feedback mechanism

Representatives of the company regularly meet investors and shareholders during the year, presenting and dicussing our goals, plans and progress in relation to sustainability in general and climate in particular. During these meetings and through other channels, like e-mail dialog, we receive investors' feedback on our goals and plans.

Our Climate Transition Plan is publicly available for all our stakeholders, including shareholders and investors. Stakeholders can submit feedback or questions on our strategic plans, including this Climate Transition Plan, by contacting our investor relations team*.

We commit to reporting on our progress in delivering on this Climate Transition Plan as part of our annual reporting. We anticipate that our Climate Transition Plan will evolve as we learn more about what needs to be done.

* Contact details are available here: https://www.teliacompany.com/en/articles/investor-relations

Forward-looking information

Forward-looking information has been prepared on the basis of assumptions that may occur in the future as well as possible actions by Telia. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Metrics and methodology

Calculating and measuring GHG emissions

Telia uses a combination of GHG emission reporting approaches, including industry-average, supplier-level and device-/product-level calculation methods. The main sources for emission factors are IEA, BEIS and CEDA.

Our GHG emission reporting is aligned with the Greenhouse Gas Protocol and GSMA guidance.

We annually disclose our scope 1, scope 2 (market-based and location based) and scope 3 GHG emissions. Scope 1 and scope 2 calculations are based on own energy consumption and refrigerant leakages. The main emission factor sources are IEA and BEIS.

The Corporate Value Chain (scope 3) Standard was applied to calculate all 15 categories of scope 3 emissions.

To calculate the most material categories, Telia utilizes four calculation methods:

- The industry-average method calculates emissions using global industry average emission factors (source: CEDA) multiplied by spend. These emission factors are different for different purchasing categories, and are presented in kg CO_2e/€.
- The supplier-level method utilizes reported emissions (scope 1, scope 2 and scope 3 upstream categories) from different suppliers divided by the supplier's revenue. This emission factor is also presented in kg CO_2e/€ and is multiplied by spend.
- The device-category method calculates emissions based on the average emissions of different device categories (e.g. smartphones, laptops, tablets etc.). These emission factors are represented by kg CO_2e/device and are multiplied by the number of devices purchased.
- The product-level method is similar to the device-category method but uses product-model-specific emission factors instead of device-category averages. These emission factors are also represented by kg CO_2e/device and are multiplied by the number of products purchased.

A key factor in our scope 3 emissions is improvements in the quality of data inputs, emission factors and calculation methods. We continue to invest in improving the quality, accessibility and availability of carbon footprint data to enable better measurements and reductions of scope 3 emissions.

Carbon and energy enablement

Currently, no standards exist for enablement calculations. Telia participates in the work of the European Green Digital Coalition, launched by the European Commission in 2021 to advance enablement calculation and reporting methodologies for ICT technologies, aiming for a common methodology. Telia focuses on calculating the enablement effect of our remote meeting services and IoT offerings. Additional information about the methodology, including underlying assumptions, is available in the methodology paper on our **website**.

Development of this Climate Transition Plan

Significant changes to Telia's business – for example, mergers, acquisitions or divestments – could affect our trajectory towards our climate goals.

During 2025, we plan to conduct a re-balancing of our baseline, as we need to update our short term science-based targets. This will affect our numbers, but not the long-term targets nor the path we have embarked on to reduce our GHG emissions.

Glossary

The Paris Agreement
The Paris Agreement is a legally binding international treaty on climate change. It was adopted by 196 Parties at the UN Climate Change Conference (COP21), held in 2015 in Paris, France. Its overarching goal is to hold "the increase in the global average temperature to well below 2°C above pre-industrial levels" and pursue efforts "to limit the temperature increase to 1.5°C above pre-industrial levels."

The European Green Deal
The European Green Deal aims to make Europe climate-neutral by 2050 by cutting GHG emissions, boosting clean energy, and supporting electric vehicles, greener farming and a circular economy. It also provides financial support for communities affected by the transition.

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