

SUSTAINABILITY UPDATE JANUARY-JUNE 2020

Our approach

As an enabler of the digitalization of society, Telia Company's products and services are vital in creating more sustainable societies. Digitalization brings individuals, businesses and societies closer, is a catalyst for innovation and competitiveness, and paves the way for managing natural resources in a sustainable way. It is Telia Company's firm belief that integrating sustainable and responsible business practices in all aspects of business and strategy is a prerequisite for sustainable growth and profitability, which in turn creates long-term value for shareholders and supports sustainable development.

One of the ambitions in our 2022 strategic business plan is to become an industry leader in delivering digital impact that supports the [UN Sustainable Development Goals](#). Working to address the environmental crisis has been identified as the area where we can make the biggest difference. Through our Daring Goals we aim for zero CO₂ and zero waste by 2030.

We have adopted a stakeholder-based approach to understand, manage and proactively communicate on positive and negative impacts. The approach is based on two pillars:

- Shared value creation - addressing societal and environmental challenges while creating business value
- Responsible business - managing risk, minimizing negative impact and acting ethically and responsibly.



On the following pages are highlights of our sustainability work in the first half of 2020. For more information about our work and contribution to the UN Sustainable Development Goals, please refer to www.teliacompany.com/sustainability or the [Annual and Sustainability Report](#) which contains information about our strategy, goals and achievements.

Highlights during the period

Supporting local markets and communities during COVID-19

The disruptions caused by the COVID-19 pandemic has highlighted [Telia Company's responsibility as part of the backbone of society](#). Keeping the networks up and running is of the utmost importance as so many important services, including healthcare, rely on our networks. Despite significantly increased pressure on our networks, we have maintained speeds and coverage thanks to already extensive capacity.

During the crisis, we have seen increasing demand for connectivity and certain services as people and organizations move online. We have further developed certain services to meet the needs of our customers. One example is the [Crowd Insights service](#). We have enabled citizens to remotely get in contact with health professionals for consultations and monitoring, thereby reducing the pressure on healthcare systems. Telia Sweden is currently collaborating with eight regions and five private healthcare providers in Sweden, enabling 42 clinics to utilize e-health services.

In addition to maintaining network quality and meeting customer needs, all markets have provided specific local support such as free services and support to SME's and extra support to local helplines for children. Many local companies have received requests to share user data with authorities. Read more about our response in the case below.

As restrictions are cautiously being lifted, Telia Company employees will over time be able to return to their offices. Maintaining safety is the top priority, and all local companies have taken measures to reduce the risk of exposure. In addition, a new e-learning course on the topic is mandatory for all employees to complete.

According to [a recent GSMA study](#), the increase in data volumes driven mainly by streaming and remote meetings has not led to a larger environmental impact. As

an example, despite a 20 percent increase in data volumes, our electricity consumption has remained virtually flat.

New CEO highlighting the need for a green reboot

In 2019, we launched [a new, bold environmental agenda](#) - the Daring Goals - to reach zero CO₂ and zero waste by 2030. Meeting these goals requires taking broad and forceful action in reducing own greenhouse gas (GHG) emissions, engaging suppliers to reduce their carbon footprints and engaging in partnerships and research within and across industries.

ICT companies have a vital role to play in the transition of society to meet the Paris Climate Agreement's ambition of limiting global heating to well below 1.5°C. This role has been highlighted further during the ongoing COVID-19 pandemic, as global GHG emissions have dropped and there are calls for a "green reboot" of economies. As part of the global initiative [Race to Zero](#), Telia Company CEO Allison Kirkby [reiterated this message and highlighted Telia Company's commitments and achievements so far](#), such as committing to using 100% renewable electricity from 2020 and onwards.

"The telecom industry plays a critical role in our societies. COVID-19 has fast-forwarded us all into the next stage of digitalization. Behavioral change happened overnight. Now we must capture the opportunity of that change to accelerate climate action," says Allison Kirkby.

We are part of the [Exponential Roadmap initiative](#), a research project highlighting 36 solutions that can enable the world to build a stronger, more resilient and future-proof global economy within the planetary boundaries. The Exponential Roadmap report was highlighted in [the world's largest online climate conference](#) which took place in April to mark the 50th anniversary of Earth Day. We participated at the conference to share what we do within the area of [smart transportation](#).

Divestment of Turkcell Holding

On June 18th, Telia Company [announced that it had reached an agreement to sell its interest in Turkcell Holding](#), thereby completing the exit from Turkcell and Turkey. Prior to signing the agreement, we completed strict compliance and purchaser due diligence, also including external expertise. During the internal process, human rights risks were assessed. As there have been no or

limited opportunities for mitigation in the past, the divestment is not expected to make a major difference for employees and users.

Top scores in Baltic brand survey

For the first time, the [Sustainable Brand Index](#) included companies in the Baltics. Telia in Estonia was rated the highest in its market, and Telia in Lithuania was rated second best.

Responsible business focus area update

Anti-bribery and corruption (ABC)

- ABC risk assessments were carried out in the new TV & Media unit in Sweden and Finland. Employees in the unit received face to face training in ABC awareness.
- HR staff such as recruiters were trained in carrying out conflict of interest assessments. A conflict of interest tool was launched in all markets.

- 37% stated that learning and results, as well as the ability to finish tasks in time (31%) had improved.
- Three out of four children found that the way of learning had changed, while six out of ten children had learnt new communication tools and new study methods.

Children's rights

- A children's rights e-learning was launched and is now available in four languages to all employees and contingent workers.
- In connection with the Safer Internet Day, a number of activities on responsible online gaming were carried out for employees and their children.
- In June, the [results of the Children's Advisory Panel \(CAP\) were launched](#). 7,000 children across the Nordics and Baltics participated in the study, focusing on children's experiences of online learning. Key findings include:
 - More than half of the children were satisfied with the overall experience of studying from home. Only 15% were dissatisfied.
 - Most children felt safer (67%), happier (52%) and more relaxed (46%) as a result of studying from home. 45% agreed that their ability to solve school tasks independently has increased.

Diversity, equal opportunity and non-discrimination

- In January, we decided to step up our work with regards to diversity, equal opportunity and non-discrimination. Work will initially focus on implementing a new gender equality framework consisting of three broad ambitions:
 - 100% equal opportunity
 - 50/50 gender balance at all career levels
 - 0% discrimination and harassment
- To address the broader scope of diversity, an e-learning course on unconscious bias was released for all employees, with specific training for managers and recruiters. All recruiters have now been trained in unbiased recruiting and inclusive advertising.
- On June 9th, we conducted a Virtual Pride event with more than 350 participants and including an international LGBTQ expert panel.

Environment

- In January, we adopted [new environmental goals for 2022](#) to take

concrete steps towards zero CO₂ and zero waste by 2030.

- In February, we [issued our first green bond](#). The proceeds of the €500 million green hybrid bond will primarily be used for energy efficiency measures, in particular replacing copper with more energy-efficient fiber.
- Greenhouse gas (GHG) emissions performance selection criteria are being implemented in sourcing processes. Suppliers are asked, for example, if they have set GHG emissions reduction targets.
- The travel instruction was revised. Online meetings are always the first option, and trips shorter than 500 km should be done by rail whenever possible.
- We made a commitment to use 100% renewable electricity from 2020 and onwards. As electricity is by far the largest source of GHG emissions, this commitment will drastically decrease Telia Company's own GHG emissions.
- As part of the work to set Science-Based Targets (SBTs), a complete Group-wide scope 3 assessment was finalized. Our SBTs will be based on the [ICT sector pathway](#) and will cover the full value chain.
- Work is ongoing to quantify the GHG emissions we help our customers reduce by using products and services.

Freedom of expression and surveillance privacy

- Alongside the Annual and Sustainability Report released in March, we also published a [Law Enforcement Disclosure Report](#) (LEDR). The LEDR lays out how Telia Company respects freedom of expression and surveillance privacy when governments request data and access to our networks for different purposes, including fighting crime.
- Telia Company experts were involved in analysis together with peers such as Global Network Initiative and GSMA regarding the consequences on surveillance privacy related to COVID-19. The work resulted in a [GNI statement on network disruptions in](#)

[the pandemic context](#) and [GSMA COVID-19 privacy guidelines](#).

- The [Global Network Initiative's \(GNI\) Public Assessment report](#) was published in April. The report includes a number of case studies from Telia Company and other GNI member companies. The GNI Board found Telia Company to be making good faith efforts in implementing the GNI principles improving over time.
- We contributed to development of the Stockholm-based [AI Sustainability Center's](#) tool for assessment of freedom of expression and surveillance privacy risks and opportunities related to AI. The tool is now being piloted in a couple of Telia Company cases to understand and proactively manage risks.
- Regarding transparency reporting on requests related to COVID-19, see the case below.

Health and well-being

- In January, Telia Estonia received ISO 45001 certification. Operations in Finland and Norway are also ISO 45001 certified.
- Health and well-being teams focused on ensuring employee health and safety related to COVID-19. A Group-wide "Sustainable you" engagement activity was carried out for all employees around five themes: sleep, nutrition, social relations, exercise and recharging.

Responsible sourcing

- The supplier due diligence process was expanded to also cover business customers. This enables us to carry out risk-based business customer due diligence.
- Due to restrictions, on-site audits have been difficult to carry out. As a response, we developed a process for off-site audits.

Safeguarding customer information

- All markets were onboarded to the Group-common program to handle national security legislation.

CASE: HELPING GOVERNMENTS LIMIT THE SPREAD OF COVID-19

During the crisis, Telia Company has stepped up to meet new customer needs. One example is our [Crowd Insights service](#), that analyzes anonymized and aggregated mobile network data to see movement patterns. It is commonly used in urban and community planning to create more sustainable and efficient travel. By having historical and continuously updated data on how people move, cities and municipalities use it as a tool in creating e.g. more efficient local transportation, thereby reducing car traffic.

During the pandemic the same service has become relevant in another way – it has enabled authorities to analyze mobility and travel patterns in society, for example between municipalities and regions or within a city. This has helped to follow up and adapt strategies and recommendations, if needed, to minimize the spread of the virus.

Public health authorities in Denmark, Estonia, Norway and Sweden, along with the Prime Minister's Office in Finland and several cities and municipalities across the Nordics have used our Crowd Insights service during the pandemic. The service, commercially offered in the Telia data insights portfolio since 2017, is developed based on "privacy by design" principles - all data is automatically anonymized and aggregated before use to protect personal privacy, and no data can be traced back to an individual. The only thing analyzed is movement patterns for groups, which is disconnected from individuals. The service is fully GDPR compliant and follows strict e-privacy requirements.

In line with our strong commitment to transparency, we have [continuously provided transparency reporting](#) on government requests received related to COVID-19. Requests since March have concerned e.g. provision of data to monitor the spread of the virus, blocking of sites with fraudulent information, or have been related to new legislation. In April, we published a [position paper on the use of data to help fight COVID-19](#).