



**Sustainability update
January-September 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.

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 (SDGs). Addressing the environmental crisis has been identified as the area where we can make significant 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 about positive and negative impacts on a broad range of topics. We manage risk and address societal and environmental challenges while creating business value and acting ethically and responsibly.



On the following pages are highlights of Telia Company’s sustainability work during the first three quarters of 2020. For more information about our work and contribution to the UN SDGs , 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 our customers and society in times of crisis

Across the globe we are currently experiencing major disruptions to our daily lives due to the coronavirus pandemic. Networks that allow us to stay in touch and operate remotely are more important than ever. Maintaining network quality has been a key priority for Telia Company since the start of the pandemic, not at least since many critical services, including healthcare, rely on our networks.

[A whitepaper by Telia Sweden](#) highlights the dramatic increase in the use, and importance, of digital healthcare services during the pandemic. Evidence of the same is found in [a report by PwC Sweden](#) (in Swedish) created in collaboration with Telia, [AbbVie](#) and [Tamro](#), which shows that the number of healthcare-related remote meetings using Telia's video meeting solution increased sixfold in April compared to February. August saw a threefold increase compared to February, highlighting that the shift to remote meetings is highly likely to be permanent.

E-health solutions are not new in Telia's offering. The [Telia Health Monitoring](#) service is currently in use in 40 clinics in eight regions in Sweden, allowing the clinics to set up remote care for patients with chronic diseases, giving the patient the possibility to measure health values at home and send the data to the caregiver via an app, reducing the need to travel to the health center. The patient's health is continuously monitored, and the patient is contacted via chat and video for individual support and treatment. The service includes a Covid-19 care plan to monitor for patients that are in quarantine at home.

During the pandemic, [Telia Crowd Insights](#), a service analyzing grouped movement patterns based on mobile network data, has been used by national health authorities, other public sector

entities as well as cities and municipalities across the Nordics and Baltics to assess adherence to travel restrictions and social distancing recommendations. Besides this specific use, the service is commonly applied in urban and community planning to create more sustainable cities and more efficient travel. The service is produced with privacy by design principles, meaning all data is anonymized and automatically aggregated before use to protect personal privacy.

Building on the "Mer digital" initiative which has so far helped 10 000 senior citizens in 31 municipalities in Sweden and Norway, [Telia Sweden launched the "Bli digital" \(Become digital\) initiative](#) to help SMEs lagging in digital skills. Through the initiative, local small businesses are provided training free of charge on how to use cloud services, set up remote meetings, move to e-invoicing and other ways of integrating digital solutions in everyday work.

More information about various initiatives launched since the start of the pandemic, to support societies and groups that are particularly vulnerable can be found [here](#).

Supporting global cooperation

To commemorate the 75th anniversary of the founding of the UN, the UN Global Compact rallied business leaders worldwide behind a statement calling for renewed global cooperation. As one of the signatories, [Telia Company President and CEO Allison Kirkby highlighted](#) that:

"We are in a time of unprecedented disruption and global transformation. For Telia Company it is not only a responsibility to contribute to a better world, but also the opportunity to make a big difference through enabling the benefits that accrue for all of society, from connectivity and digitalization."

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The acknowledgement of the need for intensified collaboration is also reflected in the [Nordic CEOs for a Sustainable Future](#) coalition, of which Telia Company is a founding member. The coalition met virtually on July 2nd with Katrín Jakobsdóttir, Prime Minister of Iceland, and Erna Solberg, Prime Minister of Norway, to [address how companies and governments can accelerate action on climate and diversity](#). The CEOs presented [their own commitments and asks to the Nordic Council of Ministers](#). The new challenges caused by the Covid-19 pandemic have only strengthened the CEOs' dedication to contribute to the realization of the UN Sustainable Development Goals. The companies are focusing on driving stronger disclosure, target setting and work within value chains.

New digital infrastructure for the connected society through 5G

Telia company's public 5G networks are now live in Finland, Norway and Sweden, and will soon launch in Denmark. Commercial 5G services are already available in several markets. 5G is more than the next generation mobile network, it is a new digital infrastructure for the connected society which holds the potential to accelerate innovation and sustainable development. One example is the transportation industry, which is

becoming connected, autonomous, electric and shared. Telia Company is involved in several pilots to develop the technology and sustainable user cases.

In September, a consortium including Telia Sweden [unveiled a 5G-connected, self-driving electric bus in Stockholm](#). The pilot project focuses on how 5G can enable the safe introduction of self-driving, electric buses in urban areas. When introduced at scale, such systems running on renewable electricity have the potential of making public transportation more accessible while reducing operational costs and environmental footprint.

Evolving our environmental agenda

In 2019, Telia Company launched [a new, bold environmental agenda](#) (the Daring Goals) to reach zero CO₂ and zero waste by 2030. Since their launch, much has been done to make progress, particularly in the area of reducing own and supply chain CO₂ emissions. Milestones include going for 100% renewable electricity across our global operations, deciding to become climate neutral within our own operations in 2020, initiating supply chain collaborations and issuing the first green hybrid bond in the Nordics and Baltics. Read more about the work in the **Highlight** at the end of this document.

UPDATE ON SUSTAINABILITY FOCUS AREAS

Anti-bribery and corruption (ABC)

- An ABC risk assessment was carried out in the new TV&Media unit. All TV&Media employees have now received in-depth ABC training
- Recruiters were trained in carrying out conflict of interest assessments. A conflict of interest tool was launched in all markets.

Children's rights

- A children's rights e-learning course was launched and is now available in four languages to all employees and contingent workers.
- 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. 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.
 - Around one third stated that learning and results as well as the ability to finish tasks in time had improved.
 - While the hours of sleep and screen time have increased, exercise and sports have decreased for around half
 - Around one in ten stated that they have been contacted online by an unknown adult while studying from home.

Diversity, equal opportunity and non-discrimination

- Telia Company has stepped up its work with regards to diversity, equal opportunity and non-discrimination during the year. The work is guided by

a gender equality framework consisting of three broad ambitions:

- 100% equal opportunity
 - 50/50 gender balance on all career levels
 - 0% discrimination and harassment
- All local companies have finalized "gender road maps" including goals on equal pay, recruitment and more.
 - An e-learning course on unconscious bias was released for all employees, with specific training for managers and recruiters. All recruiters have been trained in unbiased recruiting and inclusive advertising.
 - On June 9th, Telia Company conducted a Virtual Pride event across our markets with more than 350 participants and including an international LGBTQ expert panel.

Freedom of expression and surveillance privacy

- Alongside the Annual and Sustainability Report released in March, we 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. Updated statistics for the first half of 2020 are released alongside this Sustainability update.
- [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, consisting of ICT companies, human rights and press freedom organizations, academics and investors, found Telia Company to be making good faith efforts in implementing the GNI principles improving over time.

- Telia Company has continuously reported on initiatives and government requests, and the handling of these requests, in relation to Covid-19. [The reporting](#) includes e.g. how Telia local companies provide data via our [Crowd Insights service](#), information on government legislative initiatives, and the handling of requests for blocking or mass-SMS's.
- We have contributed to the development of the [AI Sustainability Center's](#) tool for identifying ethical and human rights risks related to AI. The tool was piloted on a new AI-based Crowd Insights product that is in early development stage, resulting in the identification of a number of potential human rights and ethical risks that are being addressed.

Health and well-being

- As Covid-19 restrictions are being lifted in certain markets, some Telia Company employees are returning to the offices. Local companies are taking measures to reduce the risk of exposure, based on guidance from local authorities.

- In January, Telia Estonia received certification of the occupational health and safety management system ISO 45001. Operations in Finland and Norway are already certified.

Responsible sourcing

- The supplier due diligence process was expanded to cover business customers. This enables us to carry out risk-based business customer due diligence. The expanded scope now covers Telia Carrier's customers and will be expanded over time¹.
- Due to Covid-19 related restrictions, the audit process was updated to enable off-site audits. 73 audits have been performed year to date. In addition, 82 factory audits have been performed in collaboration with the [Joint Audit Cooperation](#) (JAC).

Safeguarding customer information

- In August, Telia Company passed its ISO 27001 information management system audit. The certificate was expanded to include the Touchpoint Plus service.

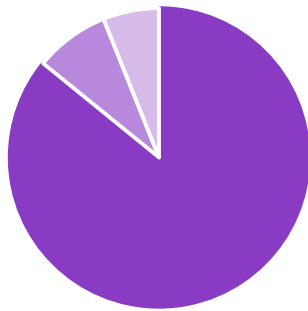
¹ On October 6th, Telia Company [announced the divestment of Telia Carrier](#).

HIGHLIGHT: EVOLVING OUR CLIMATE AGENDA

In 2019, we launched two daring environmental goals: Zero CO₂ and Zero waste by 2030. In January 2020, Group Executive Management adopted [new environmental goals for 2022](#).

Work during the year has focused on further defining the strategy for, and taking concrete actions to, rapidly reduce CO₂ emissions and waste. Achievements so far include:

- We have committed to using 100% renewable electricity from 2020 and onwards. As electricity is by far the largest source of our own CO₂ emissions, this commitment will drastically decrease absolute emissions from our operations. [In addition to this, we will go climate neutral within our own operations in 2020](#).
- A complete scope 3 assessment was finalized (baseline 2018). The assessment shows that our total value chain CO₂ emissions (scopes 1-3) are 1,270 kilotons, of which 85% is attributable to the supply chain. 8% of CO₂ emissions come from customers' use of our products and services (including hardware such as phones and routers). Only 6% come from Telia Company's own operations, i.e. energy use and business travel.



SUPPLY CHAIN: 85%

CUSTOMERS: 8%

OWN OPERATIONS: 6%

- Based on the scope 3 assessment, we have developed science-based targets (SBTs) covering the entire value chain. The SBTs are based on the [ICT sector pathway](#) which is aligned with a 1.5°C pathway. The SBTs have been submitted to the [Science Based Targets initiative](#) (SBTi), pending approval in Q4.
- CO₂ emission performance has been implemented in the supplier selection processes. Suppliers are asked, for example, if they report their CO₂ emissions, have set science-based CO₂ emissions reduction targets, and/or do carbon offsetting. In Q3 2020, suppliers representing 27% of total supplier spend had set science-based targets or were planning to do so, an increase of 11% points compared to Q1 2020.
- In September, as part of the [Exponential Roadmap initiative](#) we launched the [1.5°C Supply Chain Leaders initiative](#) together with BT, Ericsson, IKEA and Unilever. The companies, who have all committed to reducing greenhouse gas emissions across their value chains in line with a 1.5°C pathway, also announced their support for a climate action platform for 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 need to engage also with the smaller, more local and often non-listed companies, to get them to commit to halving their emissions by 2030. The SME Climate Hub will provide the needed simplified tools and practices to enable these smaller companies to prove their commitment to the 1.5°C pathway. That’s how we go exponential,” says Mikko Kuusisto, Senior Director, Telia Company Strategic Sourcing.

- 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.
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