



Sustainability update January-December 2020



OUR APPROACH

As an enabler of digitalization, Telia Company's products and services are vital in creating more sustainable societies. Digitalization brings individuals, businesses and societies closer. It is a catalyst for innovation and competitiveness and paves the way for reducing inequalities and managing natural resources in a sustainable way.

As an integral part of our business plan, our ambition is to empower societies in the Nordics and Baltics by demonstrating leadership in, and making meaningful contributions to, the realization of the UN Sustainable Development Goals (SDGs). We have adopted a stakeholder-based approach to understand, manage and proactively communicate about positive and negative impacts our business has on a broad range of topics. We manage risk and address societal and environmental challenges while creating business value and acting ethically and responsibly.



The following pages provide highlights of Telia Company's sustainability work during 2020. For more information about our work and contribution to the UN SDGs, please refer to www.teliacompany.com/sustainability. Detailed reporting for 2020 against our ambitions and goals will be available in the forthcoming Annual and Sustainability Report, released in March 2021.

HIGHLIGHTS DURING THE YEAR

Supporting our customers and society during COVID-19

Across the globe we have experienced major disruptions to our daily lives this year due to COVID-19. During the pandemic, Telia Company's infrastructure and solutions have proven to be more important than ever. We have kept societies functioning by enabling businesses to continue operating digitally and ensuring access to public services such as healthcare.

Bridging the digital divide

The pandemic has highlighted the need for digital inclusion. Despite our home markets being among the most connected and digitally mature in the world, a digital divide exists limiting opportunities for those who lack proper digital access and skills. Hence, our local companies continued to strengthen their work to ensure that no one is left behind. We estimate that in 2020 we reached over 100,000 individuals in various target groups, primarily children, parents and seniors. Below are examples of our digital inclusion initiatives during the year.

- Launched in 2018, the "[Mer digital](#)" initiative has so far helped nearly 10,000 senior citizens in over 30 municipalities in Sweden and Norway increase their digital skills and confidence. As the initiative was put on hold during 2020, [Telia Sweden launched the "Bli 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, remote meetings, move to e-invoicing and other ways of integrating digital solutions in everyday work.
- In Lithuania, Telia's initiative "Augu Internetė" (Growing up on the internet) has been running for five years. To date, workshops on topics like internet safety have been attended by 90,000 school children.
- During the pandemic, Telia Finland supported around 1,000 SMEs with resources such as free access to an e-commerce platform, including training, to help them digitalize their businesses.
- Telia Estonia launched a 10-part TV program to teach digital skills to seniors. During the year, the program had over 100,000 viewers.

In December, the inaugural Digital Inclusion Benchmark was launched. Telia Company was ranked 19 out of 100. Read more in the Highlight below.

Healthcare going digital

[A whitepaper by Telia Sweden](#) highlights the dramatic increase in the use, and importance, of digital healthcare services during the pandemic. Further evidence is found in [a report by PwC Sweden](#) (in Swedish) created in collaboration with Telia, [AbbVie](#) and [Tamro](#). The report shows that the number of healthcare-related remote meetings using Telia's video meeting solution increased sixfold in April compared to February. We foresee 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 one example, currently in use in more than 40 clinics in eight regions in Sweden, allowing the clinics to set up remote care for patients with chronic diseases. This gives 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.

Telia Crowd Insights

During the pandemic, [Telia Crowd Insights](#), a service analyzing grouped movement patterns based on mobile network data, has been extensively used by national health authorities and other public sector entities across the Nordics and Baltics to assess adherence to travel restrictions and social distancing recommendations. Besides this specific use, the service is commonly applied by cities and municipalities 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.

In December, [Telia Crowd Insights was awarded Digital Project of the Year](#) at the CIO Awards in Sweden. According to the jury:

“Telia Crowd Insights shows that data lives up to the hype as ‘the new gold’. We see how the availability of large amounts of information can be used to create societal benefits and make a difference in the fight against viruses. New patterns that have otherwise been difficult to discover are emerging and have the potential to create many exciting business opportunities.”

5G and COVID-19 reshaping mobility

Telia company's public 5G networks are now live in all markets, and commercial 5G services are available in several of them. 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. [Telia Company is one of the largest providers of digital solutions to the public transport industry in the Nordics and Baltics](#) where we enable local transportation companies to make operations more efficient and traveling more attractive to passengers.

A report published by Telia Company and Arthur D Little during the year shows that full deployment of the solutions available already today, including IoT and other data driven solutions, could increase public transport ridership by 18 percent across the Nordics and Baltics. Even before the ongoing pandemic, the public transport industry faced stagnating passenger numbers and rising operating costs. The report describes the challenges and how digitalization can contribute to overcoming them.

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.

Adopting Science Based Targets

In December, [Telia Company announced its Science Based Targets \(SBTs\)](#). The SBTs cover the full value chain (scopes 1-3). By 2025, Telia Company will:

- Halve emissions from its own operations,
- Reduce the emissions related to use of sold and leased products by 29%,
- Engage with suppliers so that 72% of suppliers by emissions will have set science-based targets.

The starting point is a baseline calculation for 2018 that has been conducted together with expert partner Carbon Trust. The SBTs are based on the 1.5° C pathway for the telecommunications sector and have been externally approved by the [Science Based Targets initiative](#).

“We are committed to help societies transform through connectivity and digital solutions while taking full responsibility for our own greenhouse gas (GHG) emissions. Setting Science Based Targets is a way for us to demonstrate our commitment to drive sustainable growth,” says Telia Company's President and CEO, Allison Kirkby.

UPDATE ON SUSTAINABILITY FOCUS AREAS

Anti-bribery and corruption (ABC)

- An ABC risk assessment was carried out in the TV&Media unit, and all TV&Media employees 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 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, while 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 of the participants
 - Online risks entered into the school day: 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

- At year end, the Extended Leadership Team (including the General Executive Management) consisted of 40 percent women (2019: 41 percent). Group Executive Management consisted of 33 percent women (2019: 25 percent).
- All local companies had 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 all markets with more than 350 participants and including an international LGBTQ expert panel.
- Telia Sweden was awarded best LGBTQI employer 2020 by Sweden's largest union. Read more in the Highlight below.

Environment

- Work during the year has focused on further defining the strategy for, and taking concrete actions to, rapidly reduce greenhouse gas (GHG) emissions and waste.
- Two milestones were achieved ahead of set target date:
 - 100% renewable electricity use
 - Climate neutrality in own operations
- During the year, GHG emissions performance was implemented in supplier selection processes.
- 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, support a climate action platform for small and medium-sized enterprises – the [SME Climate Hub](#) – to make sure that all suppliers can set and act on ambitious climate targets.

Freedom of expression and surveillance privacy

- Alongside the Annual and Sustainability Report released in March, we published a [Law Enforcement Disclosure Report](#) (LEDL). The LEDL 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 were released](#) alongside the Q3 Sustainability update.

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- [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 continuously contribute 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 data-driven product that is in early development stage, resulting in the identification of a number of potential human rights and ethical risks for us to address.

Health and well-being

- During the year, focus has been on managing health and well-being of employees working remotely as a result of COVID-19 guidance from national health

authorities. To understand employees' views, several surveys were conducted. The outcome was a "COVID-19 Employee Index" measuring employee's experience of working remotely and how they thought Telia Company was handling COVID-19 restrictions and more. The score was positive: 85 out of 100.

- In January, Telia Estonia received certification of the occupational health and safety management system ISO 45001. Operations in Finland and Norway are already certified. Local companies in Sweden and Denmark are not ISO 45001 certified but have implemented management systems based on the same principles.

Responsible sourcing

- Due to COVID-19 related restrictions, the audit process was updated to enable off-site audits. 106 audits were conducted by Telia Company auditors during the year, complemented by 78 audits conducted as part of the [Joint Audit Cooperation](#) (JAC).

Safeguarding customer information

- In August, Telia Company passed its ISO 27001 information management system audit. At year end, ISO 27001 certification covered products such as the digital switchboards Telia Touchpoint Plus and Telia ACE as well as key information security processes.

HIGHLIGHT: LGBTQI EMPLOYER OF THE YEAR

In November, [Telia Sweden received the award of most LGBTQI-friendly workplace 2020](#) by Sweden's largest trade union [Unionen](#). The award is given every year to an employer that in an exemplary manner strives for an inclusive workplace, regardless of sexual orientation, gender identity and gender expression.

Telia is praised for taking positive action for LGBTQI persons' rights and for the initiative to arrange a virtual Pride event when physical events around the world were canceled due to the pandemic. Employees in all countries and people outside the company were encouraged to participate in the online event, celebrate and learn more about LGBTQI-inclusive workplaces. Telia's virtual Pride was broadcast globally - publicly taking a clear stand in support of LGBTQI rights is an important message to send, especially in countries where LGBTQI persons' human rights are questioned and sometimes even threatened. In addition, local activities supporting LGBTQI rights in the society were carried out by Telia in many countries.

"We are delighted and proud to receive Unionen's LGBTQI award. It is especially honoring since it is our co-workers that have nominated us for the award, and it is a testament to people at Telia being able to bring their true selves at work and feeling empowered," says Clara Bodin, Telia Company's Diversity and Inclusion lead. "It is proof that our dedication to drive diversity and inclusion is successful. We have prided ourselves as a company leading technology and innovation. Now, we are proud to push equality, diversity and inclusion to the forefront."

HIGHLIGHT: DIGITAL INCLUSION BENCHMARK

To encourage greater action towards achieving the UN Sustainable Development Goals, the [World Benchmarking Alliance](#) has benchmarked 100 digital technology companies globally on their actions to strengthen digital inclusion. [In the inaugural benchmark report released in December](#), Telia Company ranked 19 out of 100.

The benchmark assesses technology companies' efforts in improving access to technology, enhancing digital skills, fostering trustworthy use, and innovating openly and ethically. Telia Company came out strong in areas such as cybersecurity and support for children's safety online. The report also highlights that Telia Company is one of few companies to have adopted [guidelines for ethics in Artificial Intelligence \(AI\)](#).

"The COVID-19 pandemic has reinforced the importance of reliable access and digital skills. Going forward, digital inclusion will be key to capture the full potential of digitalization and make sure that no one is left behind. We are happy to see that digital inclusion is making its way into the benchmarking world. It is an area where we are looking to strengthen our approach the coming years and this benchmark provides useful guidance," says Sara Nordbrand, Group Head of Sustainability at Telia Company.
