

Sustainability update January-March 2020

Our approach

Telia Company's sustainability approach is based on two strategic 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. These responsibilities extend through the value chain

OUR APPROACH TO SUSTAINABILITY



Supporting the approach are three critical success factors:

- Board and management commitment – actively steering our sustainability agenda in order to create long-term sustainable stakeholder value
- Employee engagement – enabling all employees to contribute to positive digital impact
- Ethics and compliance – the foundation for ensuring responsible business practices

Read more about Telia Company's sustainability approach including strategy integration and contribution to the UN Sustainable Development Goals (SDGs) on www.teliacompany.com/sustainability. The [Annual and Sustainability Report](#) contains information about sustainability goals for 2022 as well as key metrics such as energy consumption and CO₂ emissions. It also includes the company's Statement of Materiality, where the Board expresses why sustainability is integrated into everything we do.

Below are highlights of Telia Company's sustainability work in the first quarter of 2020.

Highlights during the period

Annual and Sustainability Report

The combined Annual and Sustainability Report summarized highlights and performance of our sustainability work in 2019, including the company's contribution to the UN Sustainable Development Goals (SDGs). Highlights and achievements during the year included:

- At the capital markets day in March, an ambitious environmental agenda for 2030 was launched. Two broad goals - Zero CO₂ through the value chain and Zero waste in own operations – were further concretized into 2022 goals, such as climate neutrality in own operations covering energy use and business travel.
- 98 percent of the total electricity consumption in the Nordic and Baltic operations was renewable (up from 91 percent in 2018). The figure for all operations was 90 percent (up from 83). The goal is to reach 100 percent renewable electricity by 2022.
- In October, a green bond framework with a Second Party Opinion from Sustainalytics was released. In February 2020, a green hybrid bond of € 500 million was issued. The proceeds from the bond will tentatively be used to fund energy efficiency measures as well as the development and deployment of green digital solutions that help customers reduce their CO₂ emissions.
- As part of the work to over time implement the Task Force for Climate-related Financial Disclosures (TCFD) recommendations, a climate risk assessment was carried out using 2025 as the timeframe. Overall, we estimate financial impacts from both transition and physical risks as small. The largest risks are market-related (the risk of not meeting customer or investor requirements) and reputation-related (wide-spread incorrect information regarding the energy and GHG emissions footprint of ICT companies).
- The Nordic CEOs for a Sustainable Future coalition, of which Telia

Company is a founding member, staked out its road ahead for the coming years. The initiative will focus on climate action and promoting diversity and inclusion.

- As part of the acquisition of Bonnier Broadcasting, a Media Owner Statement was published. The statement defines our commitments to promote and defend independent publishing, with responsible editorship as a cornerstone.
- Telia Company retained its 'AAA' rating with the MSCI ESG index, its EcoVadis 'Gold Supplier' rating and remained a constituent of the Bloomberg Gender Equality Index. Carbon Disclosure Project climate performance improved to B-.

Our response to covid-19

The disruptions caused by the covid-19 crisis has highlighted Telia Company's special 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 health care, rely on our network. Despite significantly increased pressure on our networks, we have been able to maintain speeds and coverage thanks to already extensive capacity.

Telia Company's mission is to enable companies to keep their businesses running, friends and family to stay in touch and to enable people to take care of themselves and each other. Across all markets we support business and families, for example by offering remote meeting services and media content for free.

Measures have been taken to ensure employee health and safety, such as extensive work-from-home requirements, travel restrictions and closing certain shops where mandated.

After the crisis has subsided, we hope that governments, business and individuals all over the world have a better understanding of how digital products and services support efficient and sustainable ways to work and do business remotely, and how vital digitalization is to ensuring that societal stability can be maintained.

Anti-bribery and corruption (ABC)

- ABC risk assessments were carried out in the new TV & Media units in Sweden and Finland.
- HR staff such as recruiters were trained in carrying out conflict of interest assessments.

Children's rights

- A children's rights e-learning available to all employees and contingent workers was launched and is now available in four languages.
- In connection with the Safer Internet Day, a number of activities on responsible online gaming were carried out for employees and their children.

Diversity, equal opportunity and non-discrimination

- Telia Company decided in January to step up its 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 percent equal opportunity
 - 50/50 gender balance on all career levels
 - 0 percent discrimination and harassment, including no pay gap
- An e-learning on unconscious bias was released for all employees, with specific training for managers and recruiters.

Environment

- CO₂ performance selection criteria are being implemented in sourcing processes. Suppliers are asked, for

example, if they have set CO₂ 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.

Freedom of expression and surveillance privacy

- Alongside the Annual and Sustainability Report we also released 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 (Global Network Initiative (GNI), GSMA etc.) regarding the consequences on surveillance privacy related to covid-19.

Health and well-being

- 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.

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.

Safeguarding customer information

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