

OUR ROAD TO ZERO

Sustainability Report
Telia Denmark
2019

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PART OF THE SOLUTION

We are facing a global climate crisis. The climate changes and unsustainable use of natural resources are putting ecosystems and humanity at risk. Now is the time for decisive action, and we will contribute by doing our part. In Telia it is our firm belief, that business should not be conducted at the expense of our planet, which is why we work dedicated towards climate neutrality in 2030.

Our total footprint

This autumn we established the baseline for Telia Denmark's complete footprint, which revealed that our greenhouse gas-emissions (CO₂e) amounted to ~79.000 tonnes in 2019 and that we produced ~730 tonnes of waste. The analysis covers our entire operation and complete value chain – all the way from our network, the mobile phones and hardware we sell, to business travels and employee commuting. The detailed understanding of our current footprint is instrumental for our transition to climate neutrality in our entire value chain.

Climate targets

At Telia, we are committed to reach zero CO₂e and zero waste by 2030. To ensure immediate action we have concretized our road towards these goals by adopting science-based targets (SBTi) aligned with a 1.5° C pathway. This requires that by 2025 we will reach a 50% reduction in our scope 1 and 2 emissions



and ensure that our largest suppliers – representing more than 50% of the emissions related to our supply chain – also mutual commit to follow the same science-based targets.

As part of our journey to reach zero CO₂e and zero waste we are committed to help achieve the UN Sustainable Development Goals (SDGs). More specifically we are targeting four SDGs (9, 11, 12 and 17) where we believe we can make a significant impact based on our solutions and expertise.

Recycled and leased electronic equipment

More than 50% of our total emissions come from our mobile network along with the production and use of the mobile phones and hardware that we sell.

We are therefore accelerating our effort to reach an even better energy efficiency in our network, use 100% renewable electricity in all our operations and explore concepts to prolong the lifetime and utilization of hardware.

For each additional year that the average lifetime of a mobile phone is extended, the related emissions are correspondingly reduced by 20-30%. For that reason, we are incorporating

circular thinking into our business model through the development of recycling, leasing and re-use offerings linked with an effort to educate our customers on how to make their equipment last longer before replacing it.

Digitalization and sustainability

As a telco digitalization is in our DNA and we believe that the transformation towards a sustainable future can be accelerated through intelligent use of digital solutions.

Therefore, we also have the responsibility and opportunity to drive sustainable digitalization by offering innovative technology services. For example, by providing IoT-solutions for our enterprise customers that provide new and less emission intensive business opportunities.

Reaching climate neutrality in 2030 is an ambition that unites and energizes everyone in Telia. Our progress from being part of the problem to an active part of the solution inspires us and drives us forward.

We will invite all our customers and suppliers to join us on the road ahead.

TAKING RESPONSIBILITY FOR OUR ENTIRE VALUE CHAIN

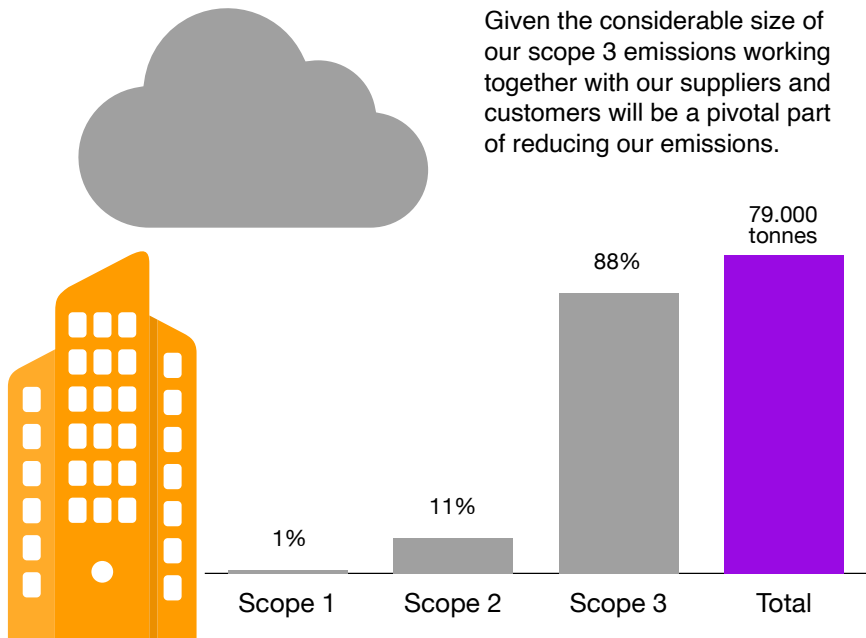
In Telia, we want to take responsibility for our entire value chain. That is why we have calculated the greenhouse gas emissions covering our operation including our complete value chain – all the way from our network, the mobile phones and hardware we sell, to business travels and employee commuting.

In 2019 Telia Denmark emitted ~79.000-tonnes of greenhouse gasses (CO₂e). That equiva- lates ~0,2% of the total Danish emissions in 2019. Of our CO₂e emissions, our own operations (scope 1 and 2) make up 12%, whereas the rest stems from our value chain (scope 3).

Knowing the size of our CO₂e emissions is the first necessary step to succeed in realizing our ambitious target of zero CO₂e by 2030.

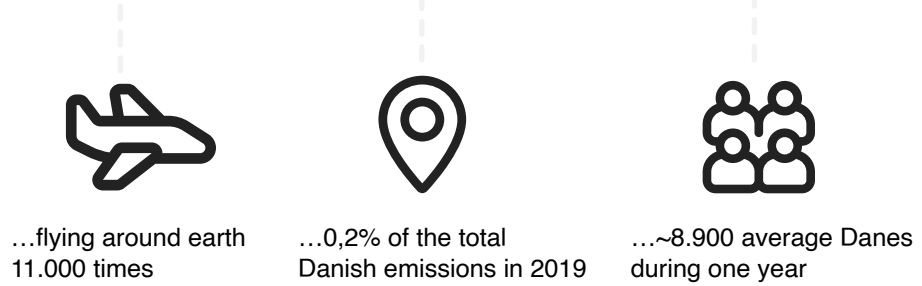
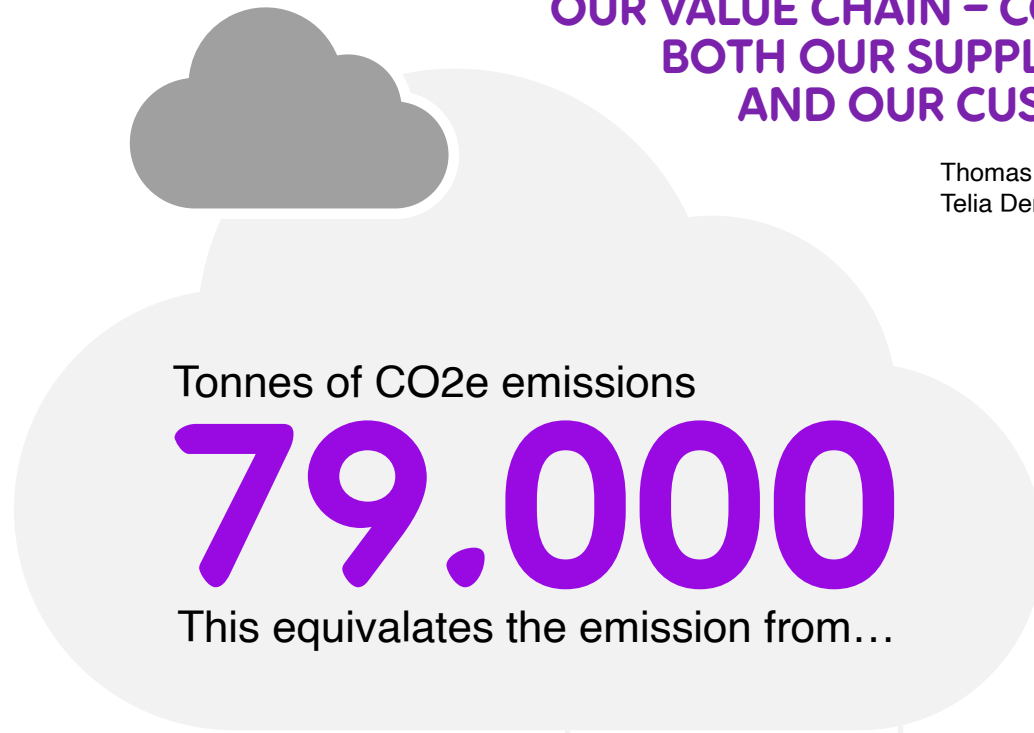
The high level of detail in our calculations makes it possible for us to work efficiently and smart with our reduction efforts.

Given the considerable size of our scope 3 emissions working together with our suppliers and customers will be a pivotal part of reducing our emissions.



88% OF OUR TOTAL EMISSIONS STEMS FROM OUR VALUE CHAIN – COVERING BOTH OUR SUPPLIERS AND OUR CUSTOMERS

Thomas Kjærsgaard CEO, Telia Denmark



Notes: Our carbon emissions accounting follows the Greenhouse Gas Protocol. For our detailed emissions accounting, please see our methodology description, page 13.

EMISSION OVERVIEW

Our emissions can be divided into three major different categories or areas. Our suppliers, our own operations and our customers.

79.000
Tonnes of CO₂e emissions
Telia Denmark in 2019 (pct. of baseline)

SUPPLIERS



29%
PRODUCTION OF HARDWARE



27%

OTHER GOODS AND SERVICES, E.G. MARKETING, ACCESS TO ENTERTAINMENT, SECURITY ETC.



1%
TRANSPORT SERVICES

TELIA

6%

STORES AND HQ UTILITIES



2%
EMPLOYEE COMMUTING



1%
COMPANY CARS



<1%
WASTE



1%
BUSINESS TRAVEL



10%
NETWORK UPGRADE AND CONSTRUCTION



11%
NETWORK MAINTENANCE



9%
NETWORK POWER USE

CUSTOMERS

1%

CUSTOMER TRANSPORT TO AND FROM TELIA STORES



3%

USE OF ELECTRONIC DEVICES I.E. CHARGING



<1%

END OF LIFE TREATMENT OF SOLD HARDWARE

Notes: Percentages may not total 100 due to rounding. Our carbon emissions accounting follows the Greenhouse Gas Protocol. For our detailed emissions accounting please see our methodology description on page 12.

INCREASING THE CIRCULARITY OF OUR OPERATIONS

In Telia, we have set a target of zero waste in 2030. To accomplish this, we need to shift away from a linear model of “take-make-waste” to a circular model - transforming existing waste streams into valuable resources. This goes both for the waste that we generate in our operations and for the waste that is generated when the hardware we sell reaches end-of-life.

In 2019 Telia Denmark generated ~730-tonnes of waste. That equates to the total yearly waste generated from ~890 average Danes.

Through initiatives like Telia Recycle we are working with extending our products lifetime and keeping materials in use.

The waste stems from two main sources. The operation of our shops, technical sites, headquarter etc. This makes up ~85% of our total waste. And the hardware that we sell to our customers, which – once it reaches end-of-life – becomes a waste stream. This makes up the remaining ~15% of our total waste.

Telia Denmark's total waste in 2019
730 TONNES

85%
waste from operations

15%
waste from sold hardware



WE WANT OUR PRODUCTS TO BE USED AND RE-USED TO EXTEND LIFETIME AND LIMIT THE IMPACT ON THE ENVIRONMENT

Thomas Kjærsgaard CEO, Telia Denmark

TELIA RECYCLE: CURRENT AND FUTURE INITIATIVES TO REDUCE OUR CUSTOMERS' WASTE

- 1 RECYCLING**
We pay our customers to hand in their used phones, which will get either be reused, recycled or disposed of responsibly. **2020**


- 2 SELLING USED PHONES**
We will be offering refurbished phones with a warranty for our customers, to keep the products in use for longer. **2021**


- 3 BUYBACK OF BUSINESS PHONES**
Our buyback service will be extended to our business clients before end of 2021. **2021**



OUR TARGETS TO REACH CLIMATE NEUTRALITY

To ensure immediate action to reach our daring goals, we have adopted science-based targets (SBTi) aligned with a 1.5° C pathway.

According to the Intergovernmental Panel on Climate Change (IPCC) limiting global warming to 1.5°C will require that the world's total emissions are halved by 2030, and reaching 'net zero' around 2050.

In Telia, we have adopted science-based targets (SBTi) aligned with a 1.5°C pathway. This entails several commitments concretizing our road towards our daring goals.

For instance, by 2025 we will reach a 50% reduction in our scope 1 and 2 emissions and ensure that our largest suppliers – representing more than 50% of the emissions related to our supply chain – also commit to follow the same science-based targets.

2025 TARGETS

25%
reduction in greenhouse gas emission intensity

50%
reduction in our scope 1 and 2 emissions

>50%
of supply chain emissions to be covered by SBT

30%
reduction in emissions related to use of sold products

2022 TARGETS

10%
reduction in greenhouse gas emission intensity

100%
renewable electricity in all our operations

25%
reduction in our plastic waste related emissions

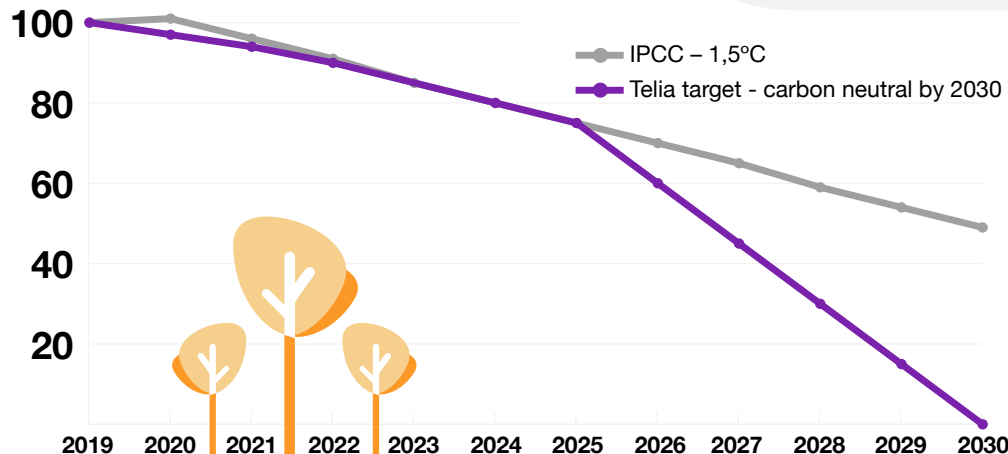
5%
lower energy consumption per customer

2030 TARGETS

ZERO
CO₂e emission from all our operations and all our suppliers (scope 1-3)

ZERO
waste in our operation and our value chain

Carbon emission (pct.)



Notes: Telia Denmark defines greenhouse gas emissions intensity as tonne CO₂e emissions / mDKK Service Revenue. Emission intensity reduction targets are compared to 2019 baseline.

OUR WAY TO CLIMATE NEUTRALITY

In Telia, we are striving to reach our goals by working systematically with decreasing our own climate impact. In 2021 we will be accelerating our efforts at reducing our CO₂e emissions and waste generation – from our products and services, our transport, our network, and our suppliers.

GREENING OUR PRODUCTS AND SERVICES



We are committed to reduce the ~30% of our total emissions originating from the production and customer use of the hardware that we sell. For that reason, we are developing recycling, leasing and re-use offerings to our customers – to prolong the lifetime and utilization of hardware.

GREENING OUR NETWORK



At Telia, our network is running on a 100% green electricity – ensured through the purchase of green certificates. However, we are working on solutions to make our green network even greener – both by building our own solar and wind farm, and by continuing our focus on optimizing our data centres.

GREENING OUR SUPPLIERS



In 2025 all our largest suppliers – representing more than 50% of the emissions related to our supply chain – have committed to science-based targets aligned with a 1.5° C pathway. We will ensure this by launching our Supplier Engagement Program – helping them to set targets of zero CO₂e emissions in 2030.

GREENING OUR TRANSPORT



We want the transport of employees and our products to be as climate friendly as possible. That is why we will be electrifying our entire carpool. We are also working on a solution to make all our parcel shipments carbon neutral.

GREENING OUR MINDSET



We only succeed if our sustainability agenda is a fundamental part of how we work and do business. Mobilizing and educating all employees in Telia on our journey is a key priority. Through internal challenges, e-learnings and delivering on our initiatives we work towards making each employee in Telia a green ambassador taking the right decision – even in the smallest scale. Every little step counts.



60%

Less CO₂e does an electrical car emit compared to the average Danish car

>50%

Of the emissions from our supply chain to be covered by science-based targets

1.400

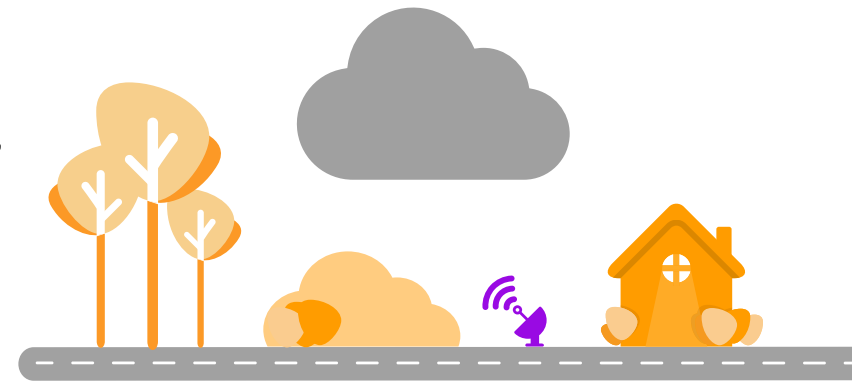
Tonnes CO₂e reduced since 2015 by optimizing our data centres

20-30%

CO₂e reduction for each additional year that we can extend the average lifetime of a mobile phone.

ENABLING OUR CUSTOMERS TO REDUCE THEIR FOOTPRINT

Telecommunications and ICT services can make a positive contribution to the realization of the UN Sustainable Development Goals (SDGs). By offering our customers new types of services and digital possibilities we open completely new opportunities for them in terms of reducing their own climate footprint.



Information and Communications Technology (ICT) services and digitalization brings along a huge potential to be a pivotal part of the solution for our society. A strong digital infrastructure – like our mobile network and Narrowband IoT – is the foundation for creating new innovative technologies through data collection and efficient management of energy and resource consumption across sectors.



Developing smart cities are an integrated part of our business strategy. Internet of Things (IoT) and data-based services contribute to creating intelligent, sustainable public transport and enables monitoring of e.g. traffic and air quality real time.



The internet gives consumers direct access to digital services which are increasingly replacing physical products and supporting a growing service economy. This reduces consumption, transportation and CO₂e emissions. At the same time, we have a responsibility as a reseller of electronics to rethink our approach to electronic consumption moving towards a more circular mindset – which we have already set in motion



The ICT sector is – perhaps more than any other sectors – depending on partnerships that utilizes technologies and networks to realize the potential of digitalization in enhancing a more sustainable and resource efficient development. Also, we rely heavily on partners to ensure that our waste is shifting into a circular model to keep products and materials in use.

DOING BUSINESS RESPONSIBLY

Beside working dedicated with our environmental responsibility, we also ensure to act responsibly as a fundamental part of meeting stakeholder expectations on business ethics, managing risks and ensuring that we contribute to societal development where we operate.

OUR RESPONSIBLE BUSINESS WORK FOCUSES ON EIGHT AREAS

Anti-bribery and corruption



We are committed to fighting corruption in all of its forms and to do business with the highest sense of transparency and integrity. We do not accept bribery or corruption in any form.

Environment



Ongoing climate change and unsustainable use of natural resources is putting both ecosystems and humanity at great risk. Digitalization can accelerate the transformation needed to change this course.

Children's rights



Children and young people are active users of our services. We work on our own and together with experienced partners to promote a safer use of internet among children, young people, and their parents.

Freedom of expression and surveillance privacy



Telecommunications enable access to information and the exchange of ideas in a way that supports openness and transparency. We aim to respect freedom of expression and surveillance privacy.

Responsible sourcing



We expect our suppliers, sub-suppliers, and distributors to implement sustainable business practices and to be transparent about their challenges.

Diversity, equal opportunity, and non-discrimination



We stand up for diversity and respect every person's uniqueness regardless of gender, nationality, ethnicity, religion, age, sexual orientation, disability, personality.

Health and well-being



To create the right health and well-being culture, our approach consists of promoting good health, identifying, and reducing or preventing risks and rapidly reacting to ill health.

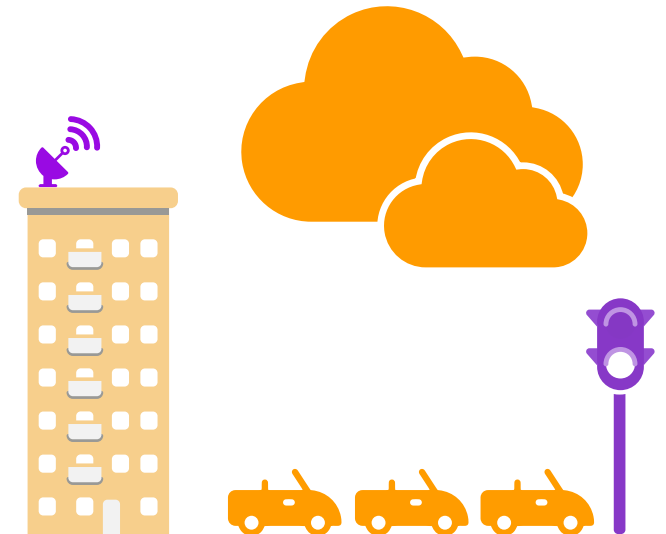
Safeguarding customer information



Customers' and stakeholders' trust is important for Telia Company. We want everyone who shares their personal data with us to feel secure that their data is used according to their expectations.

“ IN TELIA DENMARK WE SEE OURSELVES AS PART OF THE SOLUTION – NOT JUST A SMALLER PART OF THE PROBLEM ”

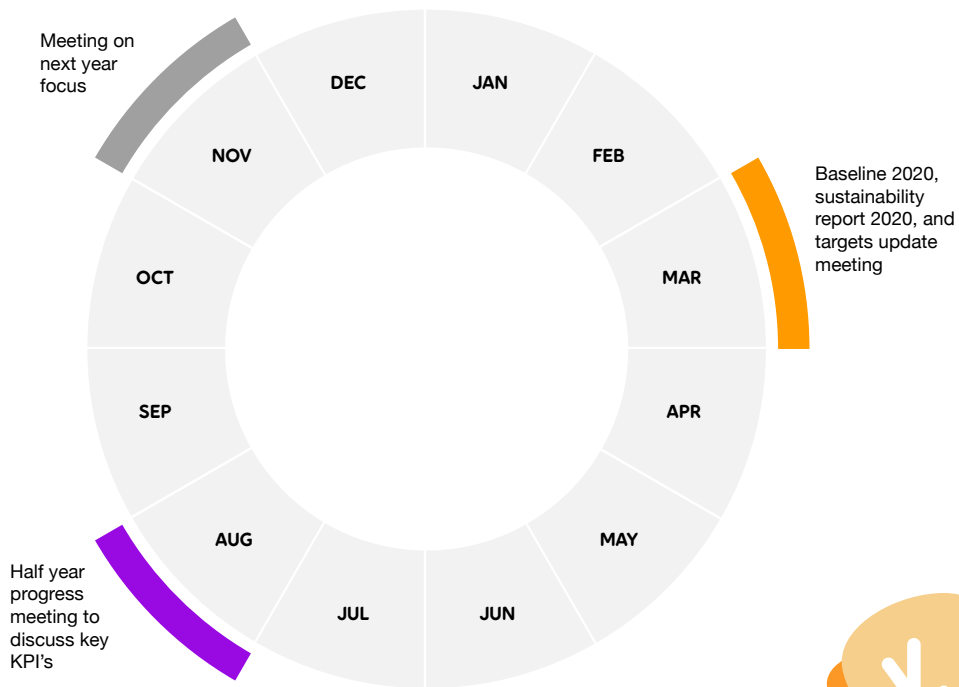
Thomas Kjærsgaard CEO, Telia Denmark



SUSTAINABILITY GOVERNANCE

To ensure adequate anchoring of our daring goals we have setup a sustainability governance placing sustainability at the heart of our corporate strategy by making our Country Management Team (CMT) our Sustainability Board.

THE SUSTAINABILITY BOARDS ANNUAL WORK CYCLE



Half year progress meeting to discuss key KPI's

Baseline 2020, sustainability report 2020, and targets update meeting

The annual work cycle of the sustainability board warrants perpetual progress on developing initiatives and monitoring progress on lowering emissions and waste. The board meets three times per year to follow up on initiative progress, target realization and set strategic direction for Telia Denmark's sustainability efforts.



SUSTAINABILITY BOARD COUNTRY MANAGEMENT TEAM (CMT)

Overall responsible for the implementation of the daring goals in Telia Denmark. Provides strategic guidance on sustainability, approves targets and monitors that they are achieved by following up on our reduction initiatives. Approves the annual sustainability report.

COMMUNICATIONS AND SUSTAINABILITY DEPARTMENT

Owns the sustainability strategy and tracks on progress monthly. Follows up on the targets and initiatives across all business units in Telia Denmark, and provides support to the business units regarding business case calculations etc. Responsible for yearly updates of our baseline calculations.

Julie Nilsson Bour-Hil
Member of the Board, Head of Communications & Sustainability

BUSINESS UNITS

Owns the implementation of the individual reduction initiatives by defining and measuring performance indicators and managing and reporting on performance.

METHODOLOGY

Identifying our emissions in accordance with the Greenhouse Gas (GHG) Protocol

Telia Denmark's CO₂e baseline is based on The Greenhouse Gas (GHG) Protocol - the world's most widely used greenhouse gas accounting standard. Specifically, our baseline follows "The GHG Protocol Corporate Accounting and Reporting Standard" and "The Corporate Value Chain (Scope 3) Accounting and Reporting Standard".

Boundary setting

At Telia Denmark, we use the equity share approach as organisational boundary setting. This means that we account for GHG emissions from our operations according to our share of equity in our subsidiaries.

The used equity share can be seen in table 1 (page 14). Aligned with the GHG-protocol, some scope 3 categories have not been included in the baseline calculations as they have been deemed not relevant. This is described in table 2 (page 14).



Calculation methods

Emissions have been calculated by combining supplier specific method, average data method and spend-based method according to "The Corporate Value Chain (Scope 3) Accounting and Reporting Standard".

Data has been extracted from Telia Denmark's ERP-systems and collected from Telia Denmark's suppliers when relevant (especially logistics services, field services and waste management services).

Emissions from employee commuting is based on survey data. Telia Denmark's CO₂e baseline split on scope 1-3 is depicted in table 3 (page 14) whereas CO₂e intensity is reported in table 4 (page 14).

Emission factors

Emission factors have been collected via supplier specific environmental product declarations (EPDs), researchbased Life-Cycle-Analysis (LCAs) or from the UK Department for Environment, Food & Rural Affairs (DEFRA). These factors have been supplemented with Telia Company's own emission factor database based on CO₂e baseline calculations in other Telia affiliates.



EXPLANATION

Scope 1: Direct emissions from sources owned or controlled by Telia Denmark (e.g. diesel consumption from our company cars)

Scope 2: Indirect emissions from the generation of purchased energy (e.g. electricity and district heating to operate our network and facilities)

Scope 3: Indirect emissions in Telia Denmark's value chain both up- and downstream (e.g. production and use of electronic equipment sold to customers)

METHODOLOGY

Table 1: Equity share of subsidiaries

Company	Equity share
Telia Danmark	100%
Telia Company Danmark A/S	100%
Telia Carrier Denmark A/S	100%
Telia Mobile Holding AB	100%
Telia Nättjänster Norden AB	100%
MIT TELE I/S	100%
TT-Netværket P/S	50%

Table 2: Categories not included in the calculations

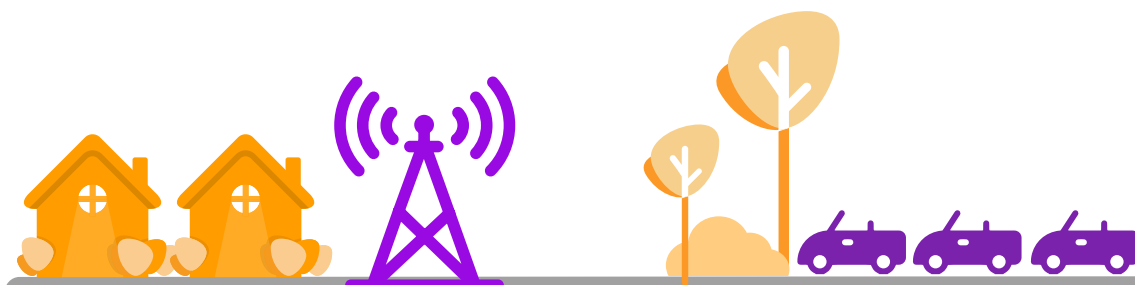
8. Upstream leased assets	Telia Denmark does not have company leased assets (cars) with limited benefit (user pays the fuel). Thus, all emissions from company cars are reported under scope 1.
10. Processing of sold units	Not relevant as Telia Denmark does not sell any intermediary goods and thus have no processing of sold products.
13. Downstream leased assets	Telia Denmark does not to any relevant extent lease out products.
14. Franchises	Not relevant as Telia Denmark has no franchises.
15. Investments	Not relevant. Category is mainly for financial sector.

Table 3: Telia Denmark's CO₂e baseline after scopes

2019	
Scope 1 & 2	t CO ₂ e
Total scope 1 emissions	529
Total scope 2 emissions – market based	843
Total scope 2 emissions – location based	9 097
Scope 3 – categories	t CO ₂ e
1. Purchased goods and services	49 820
2. Capital goods	10 979
3. Fuel- and energy-related activities	3 064
4. Upstream transportation and distribution	446
5. Waste generated in operations	14
6. Business travel	633
7. Employee commuting	1 281
9. Downstream transportation and distribution	1 017
11. Use of sold products	2 360
12. End-of-life treatment of sold products	2
Total emissions – location based	79 241

Table 4: Telia Denmark's CO₂e intensities

2019	
Scope 1 & 2 intensity (ton CO ₂ e / mDKK Service Revenue)	3,45
Scope 1, 2 & 3 intensity (ton CO ₂ e / mDKK Service Revenue)	26,36





Telia