

OUR ROAD TO ZERO

SUSTAINABILITY REPORT
TELIA DENMARK 2020



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"EVEN THE STRONGEST
BLIZZARDS START WITH A
SINGLE SNOWFLAKE"

- SARA RAASCH

This report is the second issue of its kind. By publishing an annual sustainability report for Telia in Denmark, we aim to be transparent about our emissions throughout the entire value chain and our road to zero CO2e and zero waste in 2030. Reaching for climate neutrality is a big undertaking and just like Rome wasn't built in a day, we acknowledge that our climate ambitions require dedication and patience. Year by year and step by step we move towards the finish line. We hope you enjoy the read.

ONE STEP CLOSER

2020 has truly been a year marked by crisis. It has reminded us of the fragility of the lives we live – and the planet we inhabit. Never has it been more apparent that we need to switch to a more sustainable way of living and way of doing business. In Telia, we remain dedicated to our progress from being part of the problem to an active part of the solution and we work persistently towards reaching zero CO2 and zero waste by 2030.

A year of climate action

In Telia Denmark, one of our priorities in 2020 was integrating our climate actions into our business. For the first time, we had detailed insights into measurement of our greenhouse gas emissions (CO2) and waste baselines through our entire value chain and committed ourselves to the science-based targets (SBTi) aligned with a 1.5°C pathway.

To ensure the needed actions were taken we launched several initiatives to accelerate our reduction efforts – both in our own operation and in collaboration with our suppliers.

In 2020 our GHG emissions amounted to ~69.000-tonnes which is an 8% reduction compared to 2019. The reduction is the equivalent of the lifetime emissions from ~96.000 new phones or flying 900 times around the earth.

Our carbon intensity was reduced by 3% compared to the year before. Similarly, we generated ~500-tonnes of waste in 2020 – a 30% reduction compared to 2019. Overall, we believe that we are on the right track to reach our climate ambitions.

Without question, the nationwide lockdowns of our society due to COVID-19 have impacted our climate baseline – from a reduction in employees commuting and business travel to fewer customers driving to our stores. However, the behavioral changes in society have also caused a surge in the utilization of our network and thus increased our electricity usage.

Shifting to circular

We still have a extensive job ahead of us, reaching our goals since more than 30% of our total emissions still come from the production and customer usage of the mobile phones and hardware we sell. Consequently, we are continuously exploring new concepts to keep our products and materials in use for as long as possible. Shifting to a circular model is an extensive, but important mission requiring a complete shift in mindset – away from the linear model of “take-make-waste”.

We try to make this mindset shift through three steps. First, we try to prolong – by engaging with our customers to make their devices last longer before replacing it. Secondly, we embrace reuse – by offering to buy back our customers' old devices and selling them as refurbished used devices, or by leasing out devices (still to come in 2021). Thirdly, if the device can't be refurbished, we make sure that the materials are properly recycled to avoid the consumption of new materials.

We invite everyone to join

Reaching climate neutrality in 2030 is integrated into our business strategy, way of working and unites everyone in Telia. But it is clear that we can't do this alone. We invite all our customers to join and will proactively reach out to our suppliers and partners for a close collaboration. More than ever we are dependent on each other to make sure that business will not be conducted at the expense of our planet.



Thomas Kjærsgaard
CEO, Telia Denmark

**“WE CAN'T DO THIS ALONE.
WE INVITE ALL OUR CUSTOMERS
TO JOIN AND WILL PROACTIVELY
REACH OUT TO OUR SUPPLIERS
FOR A CLOSE COLLABORATION.”**

Thomas Kjærsgaard
CEO, Telia Denmark



OUR TOTAL CARBON FOOTPRINT

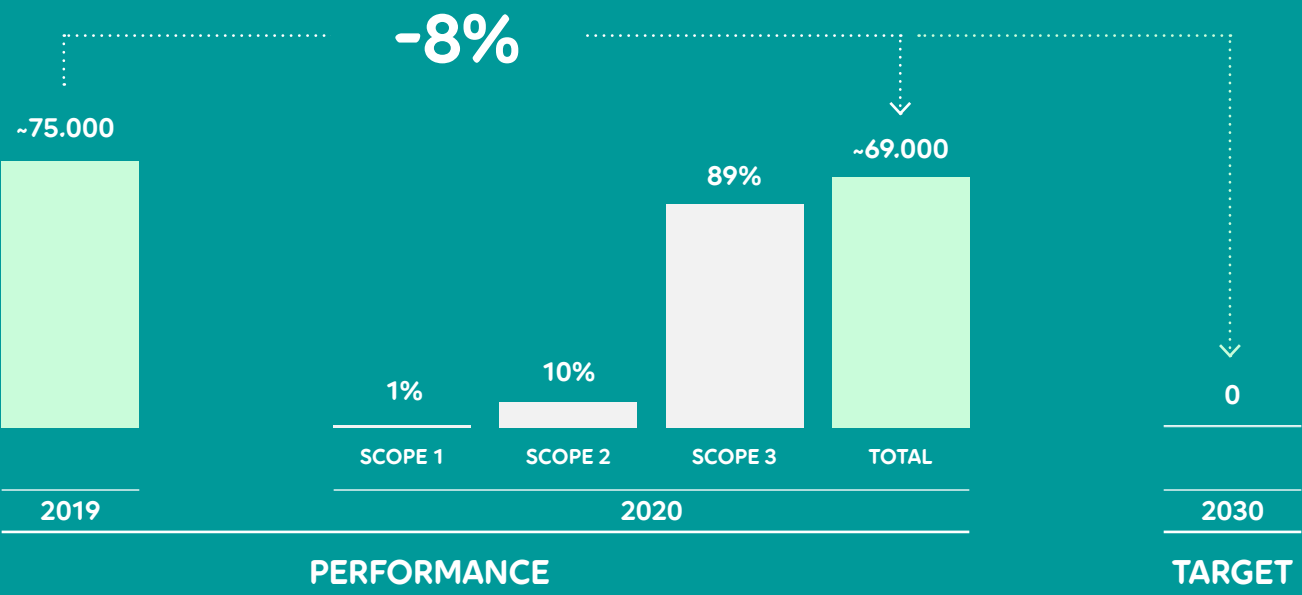
Again this year, we have calculated the full CO2 emissions from our entire value chain – showing a reduction of 8% compared to 2019. The nationwide lockdowns of our society have affected our operations – and in turn our emissions – providing us with important insights into the carbon we emit into the atmosphere. At the same time, we have further improved our insights and ability to measure our CO2 emissions. These increased understandings of our emissions are pivotal for the reduction efforts ahead of us.

In 2020, Telia Denmark had a total carbon/GHG emissions footprint of ~69,000 tons CO2e. Our own operations (*scope 1 and 2*) made up 11%, whereas the rest came from our value chain (*scope 3*).

Compared to 2019 our total emissions decreased by 8%. This decrease is partly driven by an improved inventory management which has reduced our number of e.g., purchased phones. The decrease is also driven by the

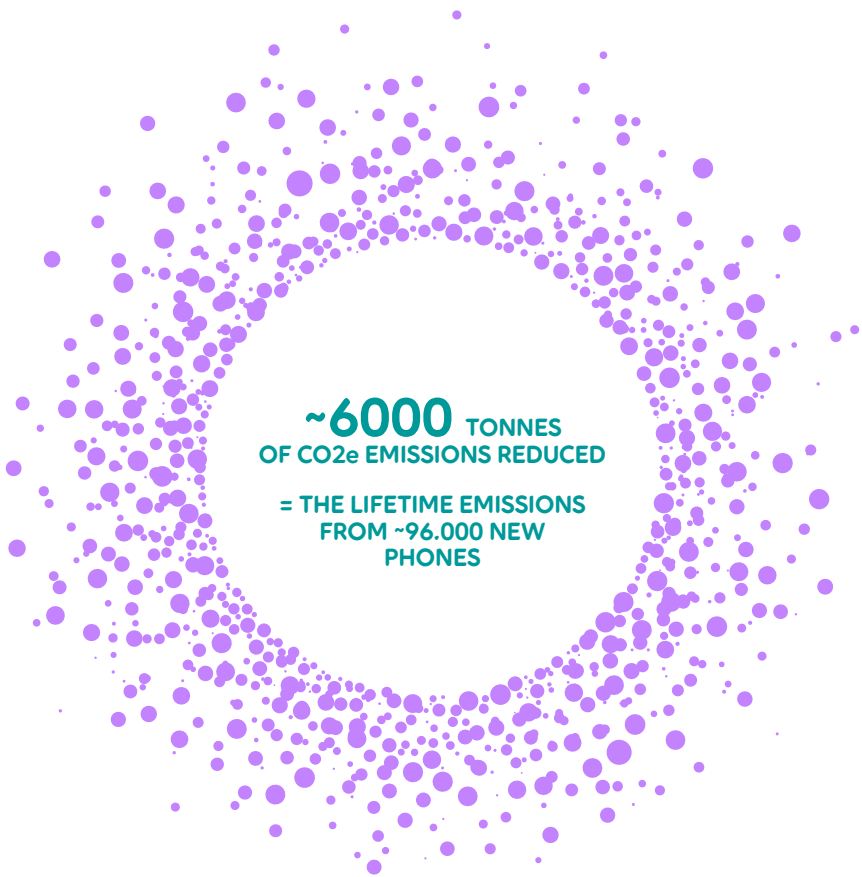
nationwide COVID-19 lockdowns of our society – from reduced employee commuting and business travel to fewer customers transporting themselves to our stores.

On the other hand, the behavior changes in society have caused a surge in the utilization of our network and thus increased our electricity usage. This has however been balanced out by a greener Danish electricity mix in 2020 (*scope 2*).



"THE NATIONWIDE LOCKDOWN HAS DECREASED EMISSIONS FROM OUR EMPLOYEES' AND CUSTOMERS' TRANSPORT – BUT INCREASED ELECTRICITY USAGE IN OUR NETWORK."

Thomas Kjærsgaard
CEO, Telia Denmark



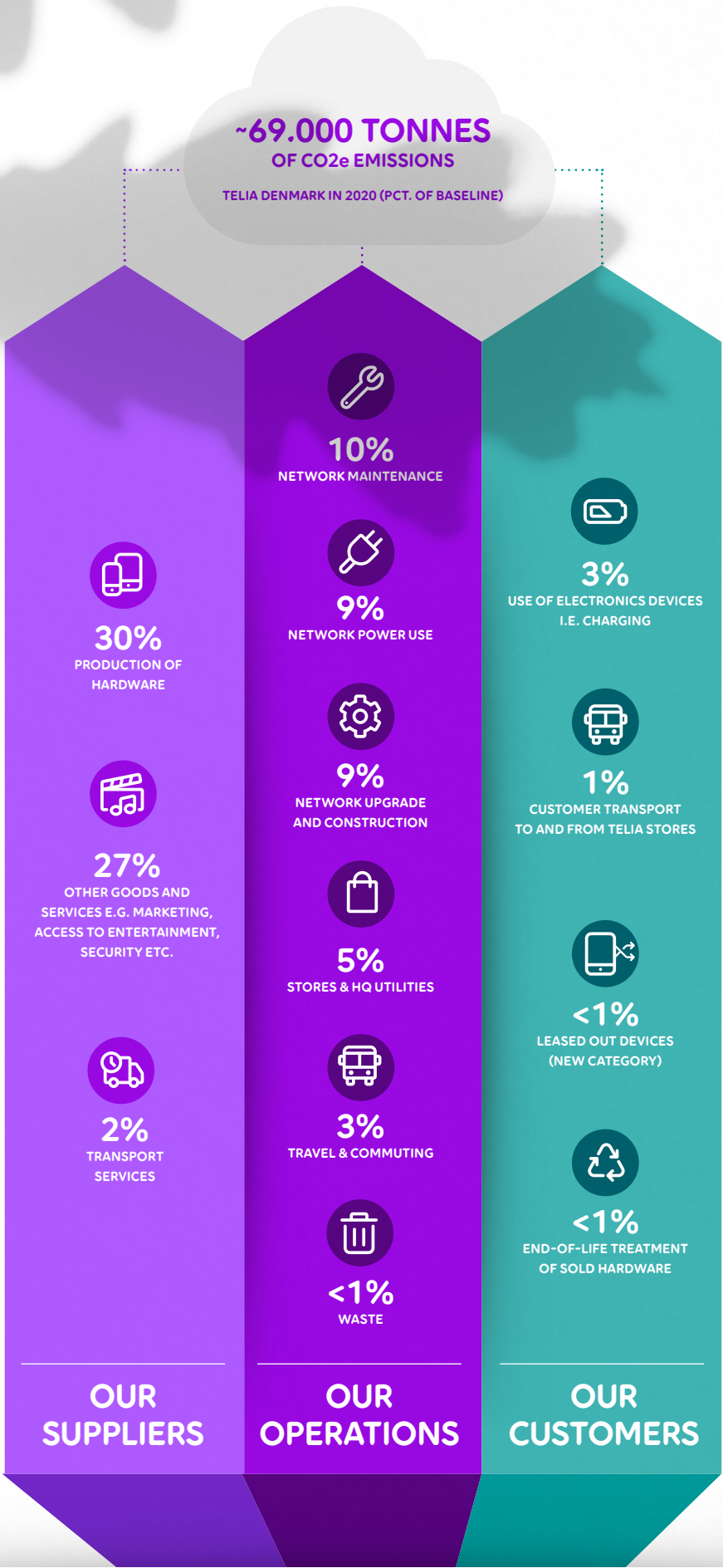
Improving our ability to measure

We are constantly improving our ability to measure our emissions – and in turn our understanding of how to reduce them. In our 2020 baseline we have for the first time included calculations of emissions from the mobile phones we lease out to our enterprise customers. We have also improved the accuracy of the emissions from our purchased electronic equipment.

We now understand how much of the emissions stems from the production of hardware and how much stems from the transport of them. These are examples of the small but necessary steps to constantly improve our understanding of the emissions from our value chain. In the end, we can only hope to realize the needed reductions if we understand where they stem from.

EMISSION OVERVIEW

Our emissions can be divided into three major categories. Our suppliers, our own operations and our customers. Our suppliers covers all products and services that we purchase. Our own operations covers both the operations of our network, offices and shops. Our customers covers transport to our shops and the use of our products.



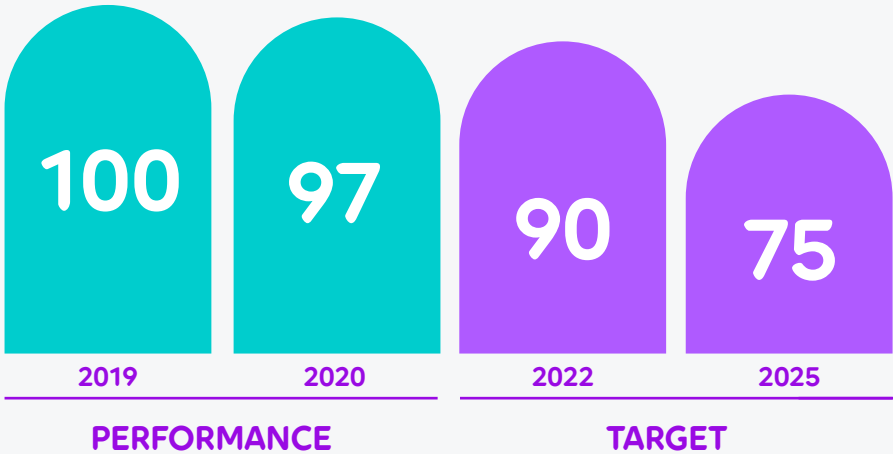
Notes: Percentages may not total 100 due to rounding. Our carbon emissions accounting follows the Greenhouse Gas Protocol. For our detailed emissions accounting please see our methodology description pages 26-31

OUR TARGETS TO REACH CLIMATE NEUTRALITY

In Telia, we have set targets of zero CO2 emissions and zero waste in 2030. To achieve these goals and accelerate our actions we last year adopted the science-based targets (SBTs) aligned with a 1.5°C pathway. Step by step we work towards our goals and have set ambitious subtargets in 2022 and 2025 to make sure we are on the right path.

CARBON INTENSITY

TON CO2e / MDKK SERVICE
REVENUE, BASE YEAR 2019
(INDEX 100)



TARGETS

2022

- 10% Reduction in greenhouse gas emission intensity
- 100% Renewable electricity in all our operations
- 25% Reduction in our plastic waste related emissions

2025

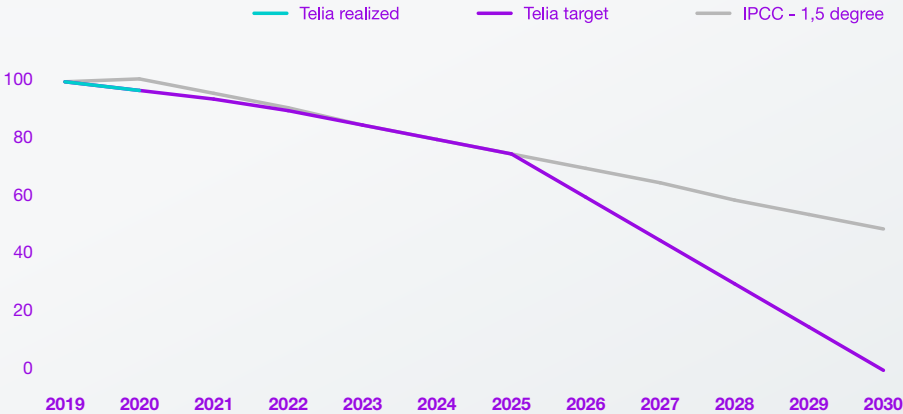
- 25% Reduction in greenhouse gas emission intensity
- >50% of supply chain emissions to be covered by SBT
- 50% Reduction in our scope 1 and 2 emissions

2030

- ZERO** CO2 emission from all our operations and all our suppliers (scope 1-3)
- ZERO** Waste in our operation and our value chain

CARBON NEUTRAL BY 2030

PERCENT REDUCTION
IN CARBON INTENSITY



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

OUR WAY TO CLIMATE NEUTRALITY

To ensure that we take the needed actions towards climate neutrality, we have identified four priority areas containing several initiatives to accelerate our reduction efforts – covering our products and services, our network, our suppliers and our transport.



About

Sub-targets

Initiatives

1. GREENING OUR PRODUCTS AND SERVICES

Develop recycling, leasing and re-use mobile offerings to our customers – to prolong lifetime of hardware and increase utilization.

40% of all sold mobile phones to consumers are refurbished by 2025.

45% of all sold mobile phones to Enterprise customers is through Device-as-a-Service by 2025.

Launch selling of refurbished phones to our consumers.

Launch Device-as-a-service to our Enterprise customers.

2. GREENING OUR NETWORK

Make our network even greener – both by building more renewable energy and by optimizing our datacenters.

6% increase in energy efficiency in our data centers by 2025.

Work towards reaching an agreement on a Power-Purchase-Agreement (PPA).

Optimizing cooling facilities in data centers.

3. GREENING OUR SUPPLIERS

Collaborate even closer with our suppliers – ensure that they set targets of zero CO2 emissions in 2030.

All our large suppliers – representing more than 50% of the emissions from our supply chain – have science-based targets by 2025.

Engage with all our suppliers through our Supplier Engagement Program.

4. GREENING OUR TRANSPORT

Make our employee commuting, business travel and transport of our products as climate-friendly as possible.

50% reduction in business travel by 2025.

100% electrified carpool by 2026.

Engage in dialogue with our parcel shipment suppliers to reach carbon neutrality in our parcel shipment.

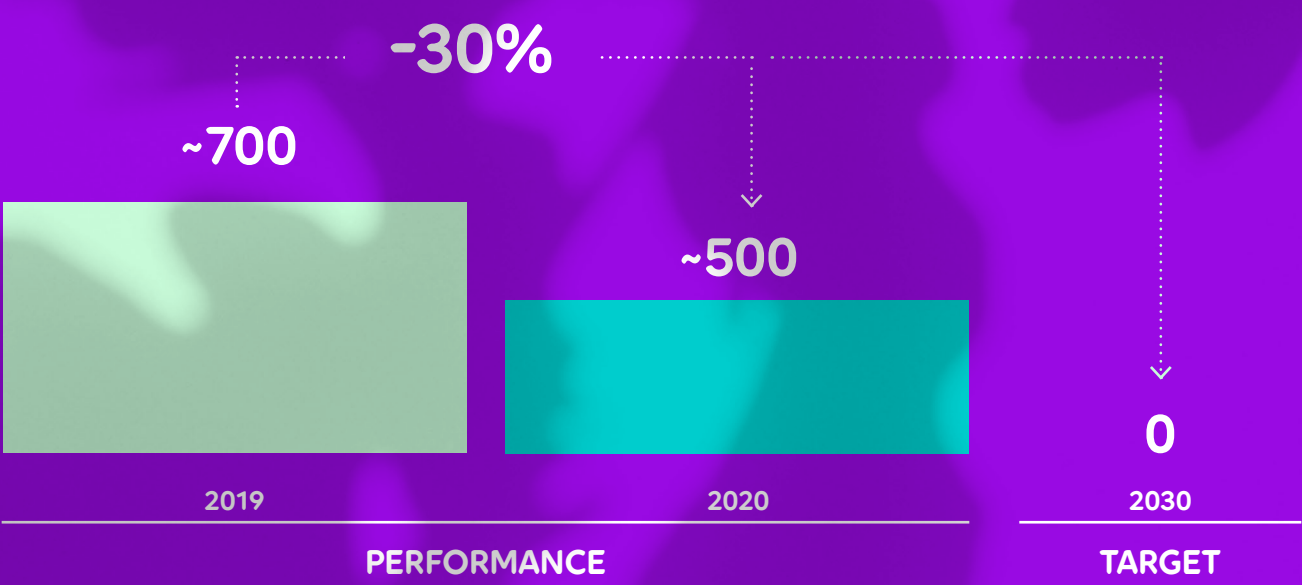
Upgrade carpool offers to green substitutes.

"REACHING CLIMATE NEUTRALITY
IN 2030 IS INTEGRATED INTO OUR
BUSINESS STRATEGY AND UNITES
EVERYONE IN TELIA."

Thomas Kjærsgaard
CEO, Telia Denmark

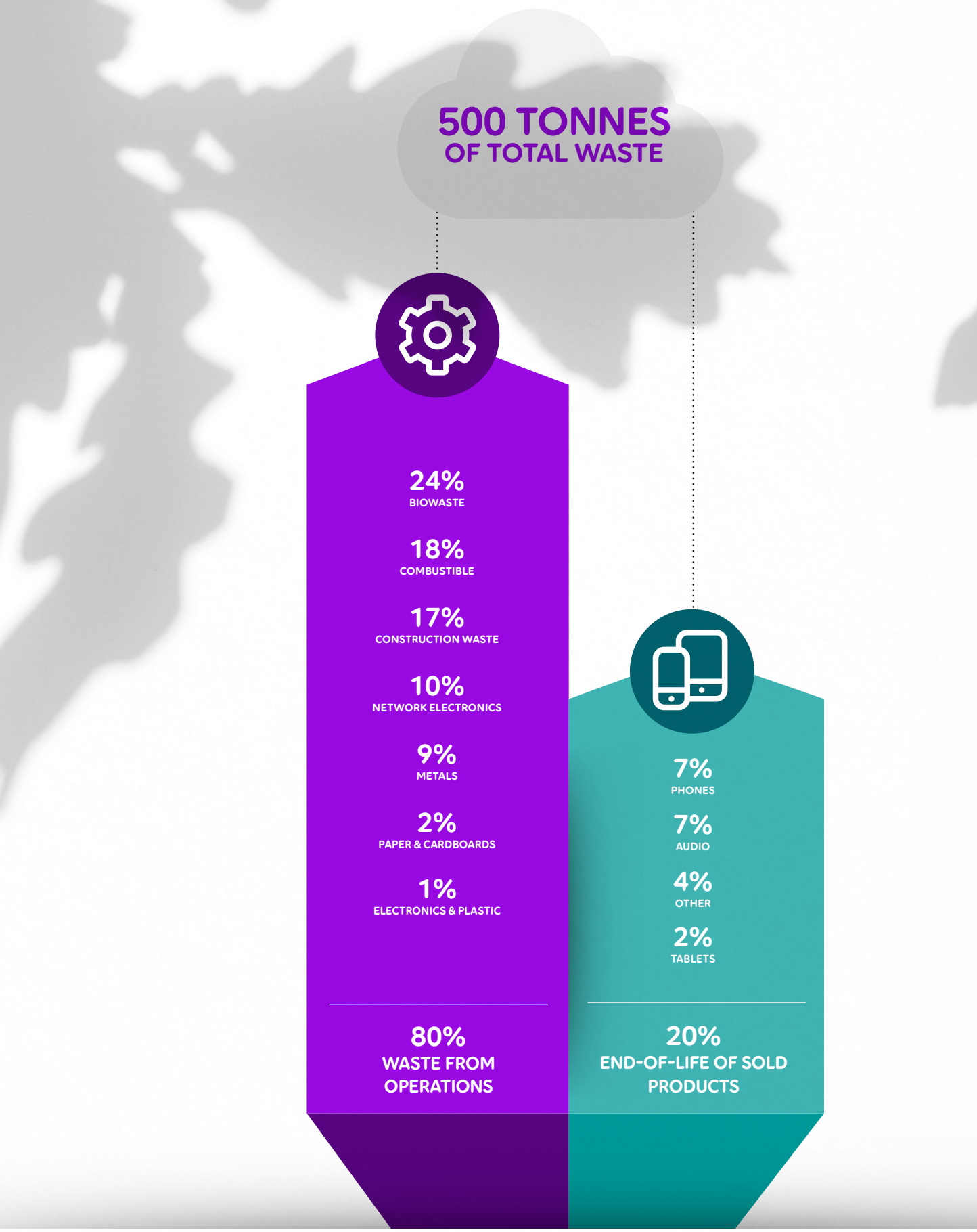
OUR WASTE GENERATION

Denmark holds an unfortunate first place in EU in the generation of municipal waste – amounting to more than 800 kg per citizen yearly. This needs to be dramatically reduced if we are not to deplete Earth’s finite resources. In 2020 Telia Denmark decreased our total waste generated by 30% compared to 2019, mainly driven by the nationwide lockdowns of our society.



In 2020 Telia Denmark generated ~500-tonnes of waste. That equivalates the yearly waste generated from ~620 average Danes. The waste we generate stems from two main sources. The operation of our shops, technical sites, headquarter etc. makes up ~80% of our total waste. The remaining ~20% stems from hardware that we sell to our customers, which – once it reaches end-of-life – becomes a waste stream. Compared to 2019 our total waste generated

has decreased by 30%. This decrease is mainly driven by the nationwide lockdowns of our society. From reduced food waste in our canteens to reduced cardboard and plastics waste from our shops. Because we sold more products, our waste from sold hardware increased slightly compared to 2019. This shows us, that we need to innovate and transform our mode of operations to enable sustainable growth.



OUR WAY TO ZERO WASTE

In Telia, we are working towards zero waste in 2030. To ensure that we reach our ambition, we are in 2021 launching a new waste strategy to address our largest waste streams and reduce costs and emissions.



Circular offerings is an important part of the telco future, and we expect increasing demands for green products in our markets.

TO REACH ZERO WASTE WE NEED TO ADDRESS OUR TWO MAIN WASTE STREAMS; OUR OWN OPERATIONS THAT INCLUDE OUR SHOPS, TECHNICAL SITES, HEADQUARTER ETC. AND THE HARDWARE THAT WE SELL. **THE APPROACH IS BUILT ON THREE FOCUS AREAS**



Embedding circularity in own operations by applying a rethink, reduce, reuse, re-purpose and recycle mindset. An example is to recycle our plastic waste and turn them into equipment in our shops or facilities in our offices.



Offering circular products and services to our customers. Offering refurbished devices and leasing services to our customers, is one way forward to embed circularity and drive a sustainable business.



Enabling a circular ecosystem to secure future market shares. As part of the ICT sector, we play a key role in the much needed shift to a circular economy - stepping up actions to take responsibility for our own waste flows while enabling other sectors to do the same through digital solutions.

SHIFTING TO CIRCULAR

OUR CIRCULAR ECONOMY
IS BASED ON THE
PRINCIPLES OF KEEPING
PRODUCTS AND MATERIALS
IN USE. WE HAVE THE
KNOWLEDGE AND TOOLS
TO BUILD A MODEL THAT IS
FIT FOR THE 21ST
CENTURY.

FROM A LINEAR TO A CIRCULAR ECONOMY

A key component in our shift to a circular economy is to move away from the linear take-make-waste model, by striving to keep all the products and materials we sell in use for as long as possible. In Telia, the following three principles are the foundations of our system:



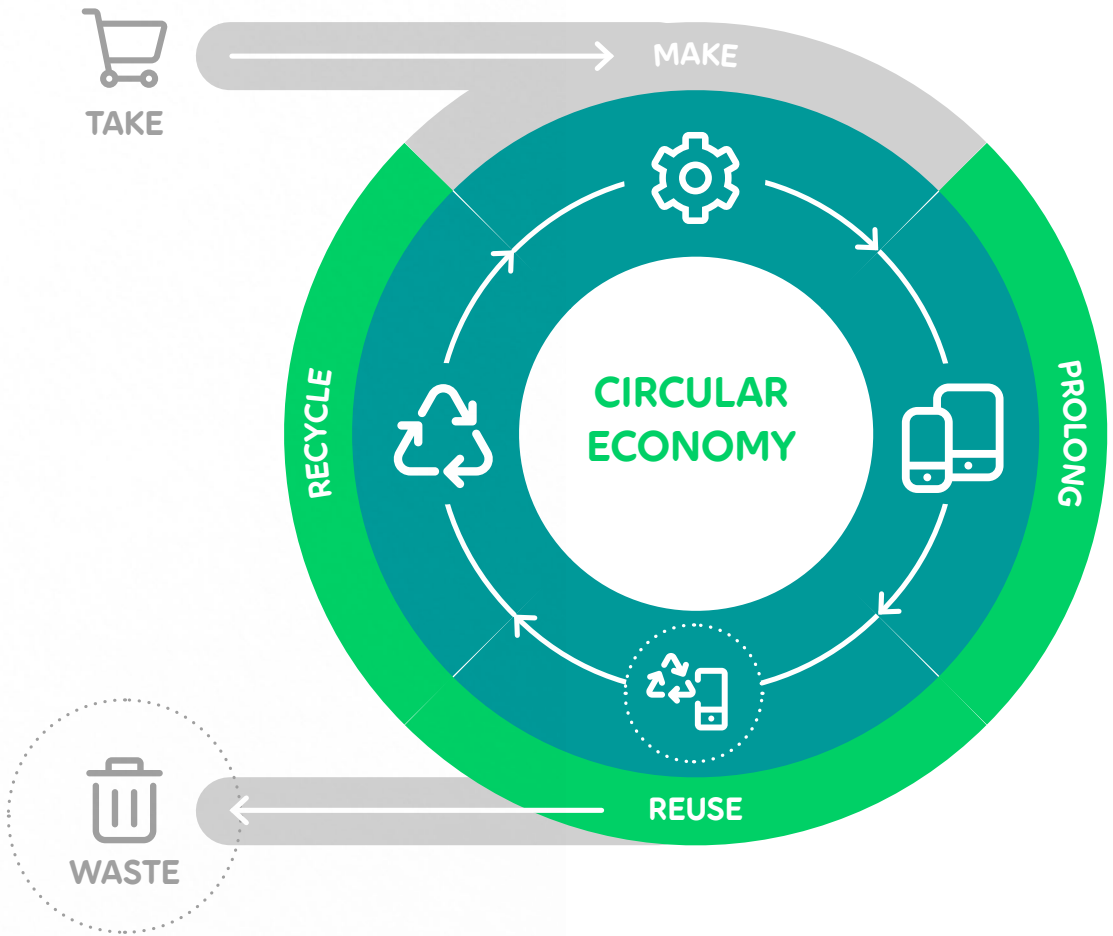
90%

Up to 90% of the materials in our devices - like metal and plastic - can be recycled and used in new products, thereby avoiding the consumption of new resources

20-30%

For each additional year that the average lifetime of a mobile phone is extended, the related CO2e emissions and waste generation are correspondingly reduced by 20-30%

IN 2020 WE COLLECTED MORE THAN 6.000 USED DEVICES IN OUR SHOPS – TO BE EITHER REUSED OR RESOLD OR RECYCLED.



PRINCIPLE 1 PROLONG

WE HELP CUSTOMERS EXTEND THE LIFESPAN OF THEIR PHONE – SEE [TELIA.DK/LEVETID](https://telia.dk/levetid)

PRINCIPLE 2 REUSE

WE BUY BACK OUR CUSTOMERS' OLD PHONES AND FIND THEM A NEW OWNER

PRINCIPLE 3 RECYCLE

WE COLLECT OUR CUSTOMERS' BROKEN PHONES AND ENSURE PROPER RECYCLING

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 CO2 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.



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.



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.



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.



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.



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.

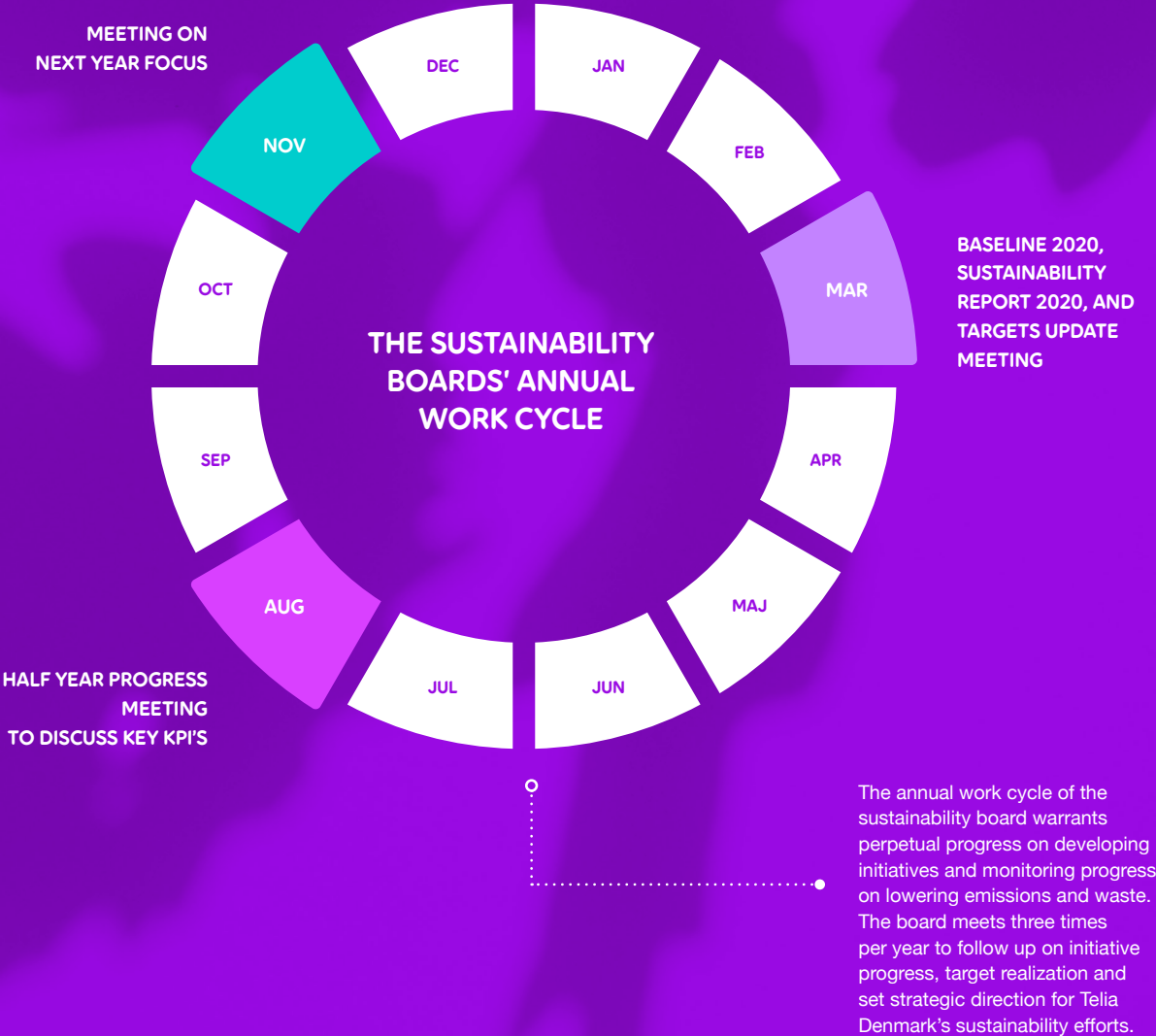


HEALTH AND WELL-BEING

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.

TELIA'S SUSTAINABILITY GOVERNANCE

Our Country Management Team (CMT) constitutes the Sustainability Board in Telia Denmark. The board tracks our progress and ensures that our sustainability efforts are anchored at the heart of our corporate strategy.



ENSURING COMMITMENT AND PROGRESS IN OUR SUSTAINABILITY EFFORTS IS MANAGED ON MULTIPLE LEVELS IN OUR ORGANIZATION



METHODOLOGY

IDENTIFYING OUR EMISSIONS IN ACCORDANCE WITH THE GREENHOUSE GAS (GHG) PROTOCOL

Telia Denmark’s CO2 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 organizational 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 30). 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 30).

CALCULATION METHODS

Emissions have been calculated by combining supplier specific method, average data method and spend-based method in accordance with “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 31) whereas CO2e intensity is reported in table 4 (page 31).

EMISSION FACTORS

Emission factors have been collected via supplier specific environmental product declarations (EPDs), research-based Life-Cycle-Analysis (LCAs), IEA electricity emission factors and 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.

ADJUSTMENTS TO THE 2019 BASELINE

As part of our efforts to improve our understanding of our emissions we have refined our calculation methods from 2019 to 2020. Specifically, we have revised our emission factors using a hierarchical approach based on three different calculation methodologies: LCA data, supplier CDP climate change questionnaire and annual reports data, and procurement spend data. This has improved the accuracy of our emission factors and in turn our baseline. In order to ensure true and fair comparison of our emission progress we have updated our 2019 emissions using the revised emission factors. This is in line with the guidance in “The GHG Protocol Corporate Accounting and Reporting Standard”. The adjusted 2019 emissions are found in tables 3 and 4 (page 31).

EXPLANATION

SCOPE 1 DIRECT EMISSIONS



SCOPE 2 INDIRECT EMISSIONS



SCOPE 3 INDIRECT EMISSIONS



APPENDIX

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 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 SCOPE	
8. Upstream leased assets	Telia Denmark only leases cars, but these are with full benefit (Telia pays the fuel) and 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.
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 CO2 BASELINE SCOPES		
Scope 1 & 2	2019 t CO2e	2020 t CO2e
Total scope 1 emissions	529	548
Total scope 2 emissions (location based)	9.097	6.824
Scope 3 - categories	2019 t CO2e	2020 t CO2e
1. Purchased goods and services	48.454	44.880
2. Capital goods	7.823	8.409
3. Fuel- and energy-related activities	3.064	2.815
4. Upstream transportation and distribution	1.167	1.194
5. Waste generated in operations	14	9
6. Business travel	630	169
7. Employee commuting	1.281	1.034
8. Upstream leased assets	not included	not included
9. Downstream transportation and distribution	1.017	766
10. Processing of sold units	not included	not included
11. Use of sold products	2.360	2.239
12. End-of-life treatment of sold products	2	2
13. Downstream Leased Assets	-	169
14. Franchises	not included	not included
15. Investments	not included	not included
Total emissions	75.438	69.058

TABLE 4: TELIA DENMARK'S CO2e INTENSITIES	2019	2020
Scope 1 & 2 intensity (ton CO2e / mDKK Service Revenue)	3,20	2,61
Scope 1, 2 & 3 intensity (ton CO2e / mDKK Service Revenue)	25,10	24,44



SUSTAINABILITY REPORT TELIA DENMARK 2020

Read more about our sustainability efforts
on telia.dk/sustainability