

Climate Transition Plan

2025

TELE2



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Tele2 climate targets & strategy

Tele2 has developed a climate strategy with both short-term and long-term actions to mitigate greenhouse gas (GHG) emissions in Tele2's own operations and its value chain. Additionally, climate change risks are integrated in Tele2's strategic risk management process, where a member of the Group Leadership Team is assigned responsibility for identifying actions to mitigate the risks and to monitor and report any development to the Group Leadership Team.

The targets of Tele2's climate strategy

1. A fossil fuel free business

To achieve our goal of reducing scope 1 & 2 emissions by 100% we have set a goal to eliminate the use of all fossil fuels in our own operations by 2029. There are three main sources of fossil fuel use at Tele2:

- Company cars (to be transitioned to electric vehicles (EV) by 2027 according to current policy)
- Service vehicles and equipment (100% EV/hydrogen by 2029)
- Back-up power generators (100% biodiesel by 2027, 100% fuel cells by 2029)

2. Near term Science-based targets for GHG emissions

- Tele2 commits to reduce absolute scope 1 and 2 GHG emissions 90% by 2025 and 100% by 2029 from a 2019 base year (approved in May 2021).
- Tele2 commits to reduce scope 3 GHG emissions 60% per subscription by 2029 from a 2019 base year (approved in May 2021).

3. Long term Science-based target of net zero GHG emissions by 2035

- Tele2 commits to achieve net zero GHG emissions in our value chain by 2035 from a 2019 base year (approved in July 2022).

Following the same pace of value chain emissions reduction as in our near term SBTs we reach a 90% reduction by 2035, which is the necessary lowest reduction to achieve net zero.

Remaining emissions would need to be neutralized using Carbon Dioxide Removals. To mitigate these potential costs, Tele2 will evaluate an internal carbon price, ensuring that the part of the organization causing the GHG emissions also covers the costs of neutralizing those emissions.

Definitions:

Own operations: scope 1 & 2 GHG emissions

Our business: our own operations

Scope 3 categories relevant to Tele2: purchased goods and services, capital goods, fuel and energy related activities, upstream and downstream transportation and distribution, waste generated in operations, business travel, employee commuting, use of goods sold, end-of-life treatment of sold products.



Having a climate strategy reduces risks and captures opportunities

Tele2 wants to be a contributor to – and enabler in – the transformation to a net zero world, creating unlimited possibilities for people, businesses, and societies.

With an ambition of being a leading telco in the Nordic and Baltic region, we want to lead in sustainability. Climate change is an important issue for us as a company to address. We have historically had a negative climate impact, and our future success as a company is dependent on globally successful climate mitigation. We take responsibility in doing our part of this mitigation. Climate change poses several risks to our company, and we must do everything we can to try to mitigate these risks. As consumers, businesses, and societies are taking steps towards mitigating climate change, there is an opportunity for us to contribute to and enable their transition to a low-carbon economy and a net-zero world.

Being perceived as a company that genuinely cares about climate change by stakeholders, especially customers and investors, will lead to a competitive advantage in the short-term and will be necessary in the long-term. Climate action can strengthen brand value, improve customer loyalty, and boost recruitment – in addition to the direct benefits of reducing emissions.

Climate change poses several risks to Tele2:

- Value chain risks include *physical risks*, such as disruptions to our supply chain; *price risks*, that can be caused by disruptions to our suppliers' supply chain or carbon taxation; and *product risks*, such as more insecurity in terms of product availability.
- External stakeholder risks include *legislation risks*, such as carbon taxation; *reputational risks*, such as decreased brand value due to negative climate impact; and *ratings risks*, such as poorer ESG ratings leading to being considered less attractive as an investment.

We have come a long way in reducing our climate impact, but we still have a long way to go before being satisfied. By following science-based targets, our goal is to achieve science-based net-zero emissions as one of the first telcos in the world. To mitigate these risks and to seize these opportunities, it is important for us to have a climate transition plan with clear goals to strive towards.

Leading telco in the Nordic & Baltic region



Tele2's climate strategy can contribute to achieving several parts of Tele2's business strategy, as indicated in the figure above.

Where we currently stand

In the base year 2019, our operations caused 43,256 tonnes of GHG emissions, and scope 3 caused emissions of 290,483 tonnes of GHG emissions. We have a clear strategy to reduce our climate impact, with a goal of reaching zero emissions in own operations by 2029.

Since April 2020, all our operations have been using 100% renewable electricity, either through direct delivery if Tele2 has a contract with the energy provider, or through guarantees of origin if we do not, for instance if we are a tenant of a site.

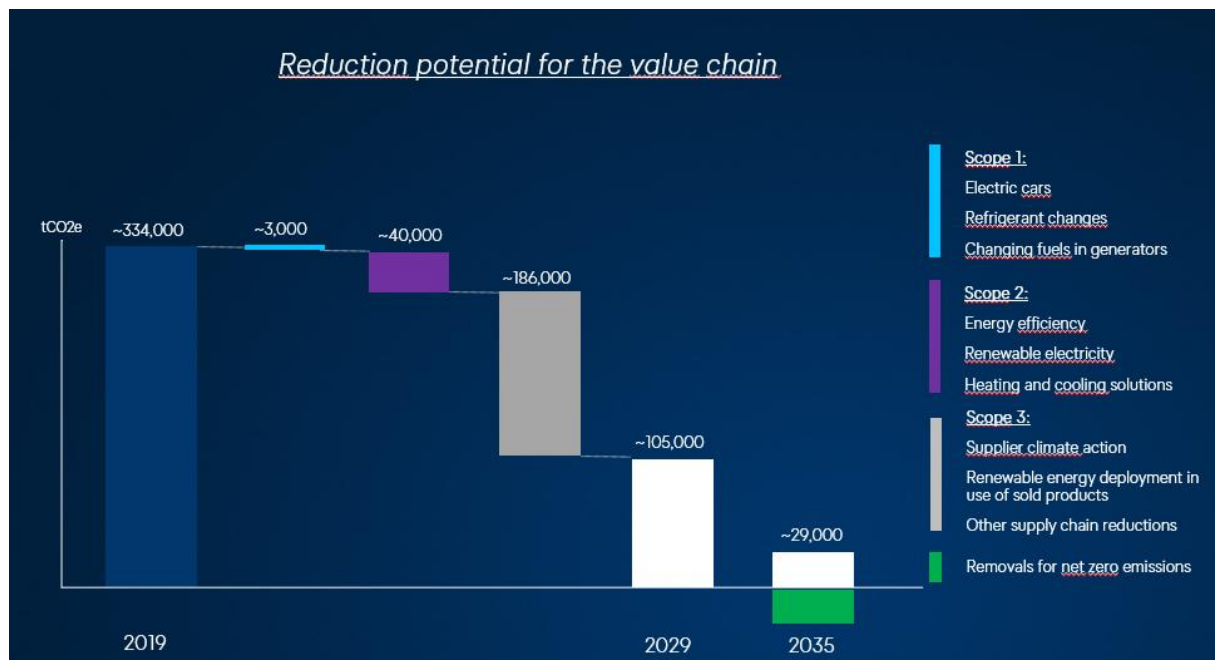
Tele2's ambitious science-based climate targets contribute to and accelerate Sweden's, the European Union's, and global Paris Agreement's goal of achieving net-zero emissions by the middle of this century and are in line with the Paris Agreement's goal of halving emissions by 2030. This climate action is done with the purpose of ensuring long-term resilience of our business, and to contribute to the achievement of the United Nations' Sustainable Development Goal #13 Climate Action.

Decarbonization plan to reach the targets

To achieve the set targets and ultimately reach net zero emissions within the value chain, several decarbonization levers and actions have been identified¹. The figure below illustrates the potential reductions within each GHG protocol scope between the base year and the near-term target year of

¹ These projections on decarbonization levers contain forward-looking statements reflecting current expectations. Tele2 disclaims any obligation to update these forward-looking statements in the future.

2029. The decarbonization levers are based on the current business model and do not include any changes in service or product portfolio.



2029 reduction plan and actions for scope 1 and 2

For scope 1, reductions of ~3,000 tonnes CO2e are anticipated by 2029. Key decarbonization levers to achieve the reductions include:

- Transitioning the vehicle fleet to 100% electric by 2027 (with potential emission shifts to scope 2 and scope 3 if the fleet is charged externally).
- Replacing refrigerants in data centers with low-emission alternatives to further reduce scope 1 emissions (specific reduction figures are pending).
- Reducing emissions from backup generators by transitioning to biodiesel, fuel cells, or other zero-emission technologies.

In 2024, Tele2 continued transitioning its company car fleet to a greater proportion of electric vehicles, resulting in a reduction of scope 1 emissions. The company has also conducted a comprehensive inventory of its backup generators and cooling systems to assess opportunities for reducing emissions from diesel-powered backup generators and refrigerants used in cooling systems. As part of its efforts to lower emissions from diesel generators, the company has initiated a pilot project utilising hydrogen fuel cells to provide backup power for base stations. The results of this project will be evaluated to determine its feasibility from both a sustainability and financial perspective before considering potential expansion.

Scope 2 emission reductions of ~40,000 tonnes CO2e by 2029 will be primarily driven by the company's commitment to purchasing 100% renewable electricity.

Scope 2 was reduced by 99.6% compared to the base year already in 2023. The residual 0.4% of the emissions derive from heating and cooling. Unfortunately, these scope 2 emissions are harder to abate, due to uncertainties in how to reduce district heating and cooling emissions. Therefore, the company is still evaluating internally how to reduce the emissions from this category.

2029 reduction plan and actions for scope 3

Scope 3 emissions are expected to be reduced by up to 186,000 tonnes CO2e annually by 2029, within the following areas:



- Supplier climate action: a 66% reduction (171,000 tonnes CO₂e).
- Renewable energy deployment in use of sold products: a reduction of 47% (9,000 tonnes CO₂e).
- Other scope 3 decarbonization actions related to fuel, travel and transports is anticipated to achieve a 49% reduction (6,000 tonnes CO₂e).

Actions to achieve scope 3 reductions in emissions include:

- Supplier climate action: to reduce emissions within purchased goods & services, focus will be on supplier decarbonization. 33% of suppliers, accounting for a substantial share of expenditures, have already established targets to achieve net zero emissions by 2030 or significantly reduce their emissions. Tele2 anticipates that two other key suppliers will follow suit, increasing the potential reductions, if they achieve their targets, by up to 46% reduction. A further 20% reduction is also planned to be obtained through setting demands on the remaining key suppliers, helping to support the anticipated 66% reduction within the two scope 3 categories.
- Renewable energy deployment in use of sold products: As renewable energy growth continues, the company anticipates a 42% reduction in emissions from the electricity used by customers to power their products. Further emissions reductions of 5% are expected through customer communication on the importance of using renewable electricity. There may be an additional 5% reduction potential in this category if customer communication is successful.
- Fuel and Energy: a 50% reduction potential driven by the lever to transition to 100% renewable energy and engagement with energy providers.
- Business Travel reductions: includes a 50% reduction where 25% can come from airline emission reductions by 2030 and 25% from reduced air travel as a result of changes to Tele2's policies and increased use of video conferencing.
- Transportation & Distribution: a 40% reduction, reflecting the increased use of renewable energy in this sector. The company will continue to also internally work on reducing emissions from this category to support the decarbonization efforts.
- Employee Commuting: a 50% reduction potential. Thereof, 25% is anticipated from replacing fossil fuel vehicles with electric vehicles and another 25% from the company's actions to encourage sustainable commuting options like public transport, biking, and car sharing.

In 2024, Tele2's eligible activities with the EU taxonomy for sustainable activities was 9.55% for CAPEX and 2.32% for OPEX. The alignment for Tele2's business activities, is 3.67%. Tele2 is evaluating actions to ensure a high level of alignment of those business activities that are eligible for alignment with the EU taxonomy.

Engaging with stakeholders

Tele2 is engaged in dialogues with its largest suppliers about the need for rapid emissions reduction in our suppliers' operations.

Tele2 is an active participant in our industry association the GSMA's forums on sustainability and climate action. Tele2 is a project leader of the GSMA's working group on circular economy for devices. Increasing the circular flow of devices will be key for our industry to achieve its climate ambitions.

Tele2 is acting as a friendly expert in climate matters to many of our B2B clients, providing them with information, products and services that can help them reduce their emissions. Tele2 is planning to increase its communication to B2C clients on sustainability topics and climate action.

A just transition

Tele2 is committed to the concept of a 'just transition' to minimize potential negative impact of our climate action on employees and local communities in the value chain. Our assessment of our impact has the following conclusions:



- As Tele2 does not have any own production, Tele2's direct impact on a 'just transition' is limited.
- Tele2 is committed to reduce its negative climate impact rapidly, to ensure that the impact on stakeholders in vulnerable areas affected by climate change is minimized.
- Tele2 has a key role to play in acting as an enabler for our customers' transition to a net-zero economy and society. In this transition, Tele2 is also committed to decrease the digital divide and promote digital inclusion. This will ensure all members of society being able to participate in an increasingly digital society, and that they are able to make use of the solutions that Tele2 provides or enables that can decrease their climate footprint.

SBTi target progress

GHG target	Type	2019 (tCO2e)	2024 (tCO2e)	2025 target	2029 target	2035 target
Scope 1 & 2 reductions	Absolute	43,256	1,540	-90%	-100%	-96%
Scope 3: 60% reductions per subscription	Intensity	0.034	0.031		-60%	-11% ¹⁾
Scope 1,2 & 3, net zero target	Absolute	333,739	255,785		>90%	-23%
Removals, net zero targets	Absolute	0	0		<10%	Not started

¹ The reduction presented is based on actual numbers, non-rounded.

Within the scope 1, 2 and 3, net zero target the company aims to reduce the company value chain emissions by at least 90% by 2035 from 2019 baseline and neutralize the remaining residual emissions through approved carbon removals.

Compared to 2019, Tele2's scope 1 and 2 emissions have decreased with 96% in 2024, putting Tele2 ahead of its 2025 target of a 90% reduction. Tele2 continues its efforts to reach zero emissions in scope 1 and 2 by 2029, in line with the science-based targets. This has been achieved through the purchase of renewable electricity certificates and the continuation of switching the company car fleet to electric vehicles.

The company is on track to meet the 2029 science-based targets for Scope 1 and 2, with some remaining emissions coming from refrigerants, company fleet vehicles, and heating/cooling for its facilities. The Scope 3 emissions per RGU target is also on track, with an 11% reduction since the base year. For the 2035 net zero target, verified by SBTi, a 23% reduction has been achieved. This reduction is primarily due to improvements in supplier performance and more granular data from certain suppliers, which have contributed to decreased emissions from capital goods. The targets are monitored and reviewed through the annual sustainability report and are considered to be on track with initial expectations. From the outset, the company anticipated that Scope 3 reductions would progress more slowly than Scope 1 and 2 reductions, as the company has less direct control over these.

Scope 3 progress since baseline

Category	2019 tCO ₂ e	2024 tCO ₂ e	2024-2019 change
Purchased goods & services	213,358	163,856	-23%
Capital goods	45,075	52,901	17%
Fuel and energy related activities	4,496	3,173	-29%
Upstream and Downstream Transport & Distribution	2,898	3,544	22%
Waste generated in operations ²	6	19	217%
Business travel	2,546	1,332	-48%
Employee commuting	3,384	2,835	-16%
Use of goods sold	18,696	26,554	42%
End-of-life treatment of sold products	24	31	29%
Total ³	290,483	254,245	-12%

Emissions in scope 3 are in total 254,245 tonnes CO₂e. This is a decrease of 23% compared to 2023, and 12% compared to baseline. The decrease is largely due to decreased emissions in purchased goods and services due to decrease in spend, impact on inflation, changed purchasing habits and improved data quality. The GHG inventory is reviewed on an annual basis as part of this sustainability report. It reflects the company's expected outcomes, despite the inherent challenges in reducing Scope 3 emissions, particularly in the area of supply chain decarbonisation.

Financing emissions reduction activities

- If Tele2 should need to finance emissions reduction activities, Tele2 has the option to issue green and/or sustainability-linked bonds using its Green Bond and Sustainability-Linked Bond Framework.
- According to current evaluations, there is limited financing need to implement the climate transition plan in Tele2's own operations, as the largest remaining source of emissions are the leased company cars.
- According to current evaluations, there is limited financing need to implement the climate transition plan in Tele2's value chain. According to Tele2's current position, Tele2 should not finance transition activities neither upstream nor downstream. Tele2 can in certain cases anticipate increasing prices from suppliers for products with better climate performance, however Tele2 also expects a higher willingness from customers to pay for products and services with better climate performance.

Feedback mechanism

Giving our investors the opportunity to provide feedback on our climate efforts and our plan to reach net zero emissions by 2035, is a key priority in Tele2's dialogue with investors. Tele2's Head of Sustainability regularly meets with investors and shareholders during the year, to present our goals, plans,

² The increase in this category is related to an updated methodology for calculating Scope 3 GHG emissions and increased waste from network construction and maintenance.

³ 2019, calculations are subjected to re-calculations since 2024 climate transition plan. For more information read [2024 Annual and Sustainability report](#) page 83 and 84.

and progress for sustainability in general and for climate in particular. During these meetings, Tele2 actively asks for investors' feedback on Tele2's goals and plans.

Tele2 has also presented the climate transition plan at the 2024 shareholders' Annual General Meeting and asked for our shareholders' feedback.

In summarizing the feedback that Tele2 receives, we gather that our shareholders and investors to a very large extent are content with the industry-leading Science-Based Targets that Tele2 has set, and the ambitious net-zero target year of 2035, which has also been validated by the Science-Based Targets initiative.

Climate strategy governance

Board of Directors

- Approve Tele2's sustainability strategy & climate transition plan
- Regularly receive and respond to updates on performance

Group Leadership Team

- Ensure sufficient resources are provided to meet the targets
- If there is a conflict between the climate transition plan and other decisions or governing documents, this will be decided by the Group Leadership Team

Executive Vice President Communications & Sustainability

- Responsibility for the climate transition plan and results
- Responsibility for implementation, reporting and communication of the climate transition plan
- Delegates operational responsibility to the Head of Sustainability

Head of Sustainability

- Operational responsibility for the implementation of the climate transition plan and updates
- Operational responsibility for reporting and presenting the climate transition plan, e.g. to external stakeholders
- Commissions input of climate data from the organization to sustainability reporting, ESG-ratings and investors/analysts

Other concerned departments

Scope 1 and 2 (emissions from company cars, back-up power, service vehicles and equipment):

- People & Change
- Digital Capabilities and Technology (DCT)

Scope 3 (emissions from suppliers, transportations, B2B and B2C customers):

- Finance (primarily Procurement and Supply Chain)
- Commercial units within both B2C and B2B
- DCT

Follow-up and reporting

- Sustainability report
- Annual Group Leadership Team review to be prepared and initiated by the Head of Sustainability
- Shareholder and investor meetings

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TELE2

The Tele2 logo is positioned at the bottom center of the image. It consists of the word "TELE2" in a bold, white, sans-serif font. Below the text is a horizontal row of six small, solid-colored circles in the following order from left to right: yellow, green, cyan, blue, magenta, and red.