TELE2 CLIMATE STRATEGY

Version 1

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Contents

- Climate strategy contribution to business strategy
- Reducing risk and capturing opportunities
- Our current status and current goals
- Goals of the climate strategy
- Timeline and activities
- Feedback mechanism
- Governance

Having a climate strategy reduces risk and captures opportunities

Tele 2 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 to be a leading telco in the Nordic and Baltic region, our goal is 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 a globally successful climate mitigation. We take our responsibility in doing our part of this mitigation. Climate change poses a number of risks to our company, and we must therefore do everything we can to try to mitigate these risks. As consumers, businesses and societies are take 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 by stakeholders, especially customers and investors, as a company that truly cares about climate change 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 – on top of the direct benefits that reducing emissions brings.

Climate change poses a number of risks to Tele2:

- Value chain risks include, physical risks, such as disruptions to our supply chain, price risks, that can be cause 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 climate impact, and ratings risks, such as poorer ESG ratings leading to us 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 we are 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 capture these opportunities it is important for us to have a climate strategy with clear goals to strive towards.

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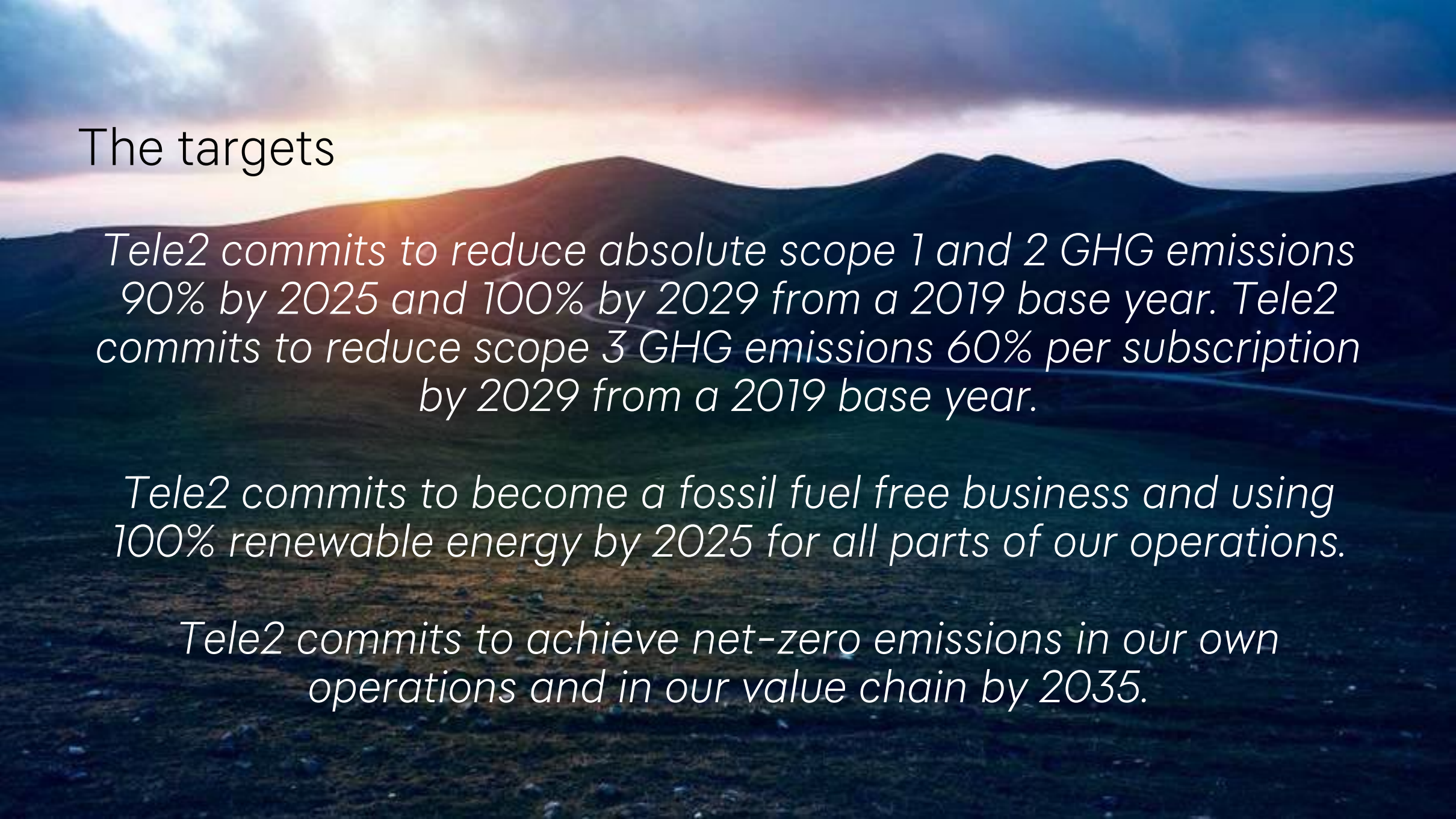
Where we currently stand and the goals we have set

- In our base year 2019, our operations emitted 43,258 tons 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.
- As of April 2020, all of our operations use 100% renewable electricity, through direct supply where we have the contract with the energy provider, or through guarantees of origin where we do not, for instance when we are tenants at a site.
- We offset remaining emissions through projects for generation of renewable energy and avoided emissions, biochar and carbon capture and storage (CCS).
- Our science-based targets were approved by the Science Based Targets Initiative in May 2021 and July 2022:
  - Tele2 AB commits to reduce absolute scope 1 and 2 GHG emissions 90% by 2025 and 100% by 2029 from a 2019 base year. Tele2 AB commits to reduce scope 3 GHG emissions 60% per subscription by 2029 from a 2019 base year. (approved May 2021)
  - Tele2 AB commits to maintain 100% absolute scope 1 and 2 GHG emissions reductions from 2029 through 2035. Tele2 AB also commits to reduce absolute scope 3 GHG emissions 90% by 2035 from a 2019 base year.
- This means that we are contributing to and accelerating Sweden's, the European Union's and global Paris agreement's goal of net zero emissions by the middle of this century, and in line with the Paris agreement's goal of halving emissions by 2030.
- This climate action is done with the purpose of ensure the long-term resilience of our business, and to contribute to the achievement of the United Nations' Sustainable Development Goal #13 Climate Action.



The targets

Tele2 commits to reduce absolute scope 1 and 2 GHG emissions 90% by 2025 and 100% by 2029 from a 2019 base year. Tele2 commits to reduce scope 3 GHG emissions 60% per subscription by 2029 from a 2019 base year.

Tele2 commits to become a fossil fuel free business and using 100% renewable energy by 2025 for all parts of our operations.

Tele2 commits to achieve net-zero emissions in our own operations and in our value chain by 2035.

The 3 goals of Tele2's climate strategy

A fossil fuel free business

To achieve our goal of reducing scope 1 & 2 emissions by 100% we have set a goal to transition away from the use of all fossil fuels in our own operations by 2025. There are three main sources of fossil fuel use at Tele2:

1. Company cars (to be transitioned to electric vehicles (EV) by 2024 according to current policy)
2. Service vehicles and equipment (100% biodiesel by 2025, 100% EV/hydrogen by 2029)
3. Back-up power generators (100% biodiesel by 2025, 100% fuel cells by 2029)

Science-based target for GHG emissions

Tele2's science-based targets (SBT):
Tele2 commits to reduce absolute scope 1 and 2 GHG emissions 90% by 2025 and 100% by 2029 from a 2019 base year. Tele2 commits to reduce scope 3 GHG emissions 60% per subscription by 2029 from a 2019 base year (approved in May 2021).
Tele2 commits to achieve net-zero GHG emissions in our value chain by 2035 from a 2019 base year (approved July 2022).

Net-zero emissions: value chain in 2035

Following the same pace of value chain emissions reduction as in our SBT we reach a 90% reduction by 2035, which is the necessary reduction to claim net zero.

Remaining emissions would need to be neutralized using Carbon Dioxide Removals. To mitigate this potential cost we could set an internal carbon price, thereby ensuring that the parts of the organization which is causing the GHG emissions also pay for the cost of neutralizing them.

Timeline and activities

2021: Use of carbon removal

Change a part of offsetting to carbon removals.

Early-mover opportunity in the industry

2022: Avoided emissions

Initiate project to calculate the level of emissions that customers avoid by using our service.

Measure these and report annually.

2022: Set SBT for net zero

Set a science-based target for net zero as one of the first telcos in the world. Tele2 is in a very good position to set an ambitious goal ahead of competitors, on the back of our ambitious SBTs for scope 1-3.

2025: Fossil fuel free business

Company cars: 100% electric vehicles (EV) by October 2024 .

Service vehicles and equipment: 100% biodiesel by 2025.

Back-up generators: replace diesel with biodiesel by 2025.

2025: Scope 1 & 2: -90%

Using 100 % renewable electricity plus decreasing emissions from company cars, as they transition to EVs.

2029: Scope 1 & 2: -100%

Continue using 100% renewable electricity.

Service vehicles and equipment: 100% EVs/ hydrogen.

Back-up generators: replace with fuel cells or other zero emissions-technology.

Replace data center refrigerants with low emissions alternatives

2029: Scope 3: -60%/RGU

Suppliers: 46% of spend is assumed to set 0 emissions by 2030 target. We will have to reach another 20% reduction through demands and dialogue.

Customers: inform about importance of energy efficiency and using renewable electricity.

Other: equal only 5% of total.

2035: Net zero Tele2 (Scope 3)

Emissions should decrease by at least 90%, and remaining emissions should be offset using carbon removals. If Tele2 continues to reduce emissions in line with SBT target 2029 this will be achieved by 2035.

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Feedback mechanism

Giving our investors the opportunity to provide feedback on your 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 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.

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

- Review and approve climate strategy
- Regularly receive and respond to updates on performance

GLT

- Ensure sufficient resources are provided to meet the goals
- If there is a conflict between the climate strategy and other decisions or governing documents, this will be decided by the GLT

Executive Vice President Communications & Sustainability

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

Head of Sustainability

- Operational responsibility for the implementation of the climate strategy and updates
- Operational responsibility for reporting and presenting the climate strategy, 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
- Procurement
- Supply Chain
- Commercial units within both B2C and B2B

Follow-up and reporting

- Sustainability report
- Annual GLT review
- Shareholder- and investor meetings

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