GREEN AND SUSTAINABILITY-LINKED FINANCING FRAMEWORK

April 2022

TELE2

UNLIMITED

Background and Rationale

For Tele2 it is important to remain a reliable and outstanding industry actor, and to be that we not only need to mitigate our contribution to climate change, we must also understand the impact that climate change has and can have on our business. As a company located in northern Europe around the Baltic Sea, we are by no means exempt from the consequences of anthropogenic climate change, nor will we be in the future.

Tele2's business and offerings are heavily dependent on business continuity – both individuals and corporate customers expect reliable Tele2 networks and services. Additionally, our networks are designated as critical infrastructure, as the ability to use communication networks is considered vital to uphold core societal functions. To that end, we are reporting on climate risks following the recommendations of the TCFD, the Task Force on Climate-related Financial Disclosures. This follows our ambition to tackle climate change, as manifested in the adoption and approval of our Science-based targets in line with the 1.5°C target.

Tele2 has the ambition to lead in sustainability. We believe that sustainability needs to be integrated in our core business for our long-term success as a company, and that having a strong sustainability agenda enables us to meet increasing demands from our most important stakeholders, such as customers, investors, and employees.

To achieve this ambition Tele2 has a sustainability strategy with four focus areas, these are areas where we can differentiate ourselves from our competitors, which will enable us to retain current, and win new, customers, investors, and employees.

Advance circular economy to combat climate change

Boost innovation for sustainability

Maximize potential through an inclusive and diverse workplace

Protect children in a conncected society

Our Green and Sustainability-Linked Financing Framework provides an opportunity for investors to learn about our position to drive positive transformation within the IT services industry and support us in this journey.

Stockholm April 2022

CEO Kjell Johnsen	CFO Charlotte Hansson	Head of Sustainability Erik Wottrich

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“The leading telco in the Nordic and Baltic region, enabling a society of unlimited possibilities.”

Approach to Sustainability

1. Sustainability Strategy

With a corporate purpose of enabling a society of unlimited possibilities, our approach to sustainability is driven by a desire to work smarter. This has led us to set a clear vision for our sustainability efforts: to lead in sustainability. For us that means that sustainability should be an integrated part in our daily business decisions, to ensure our long-term sustainability as a business. At Tele2, sustainability is not about charity, or limited to minimizing risk, but about finding business opportunities. When we invest in sustainability it delivers returns. These returns ensure that we maximize the value that we create for our customers, investors, employees, society at large, and other stakeholders.

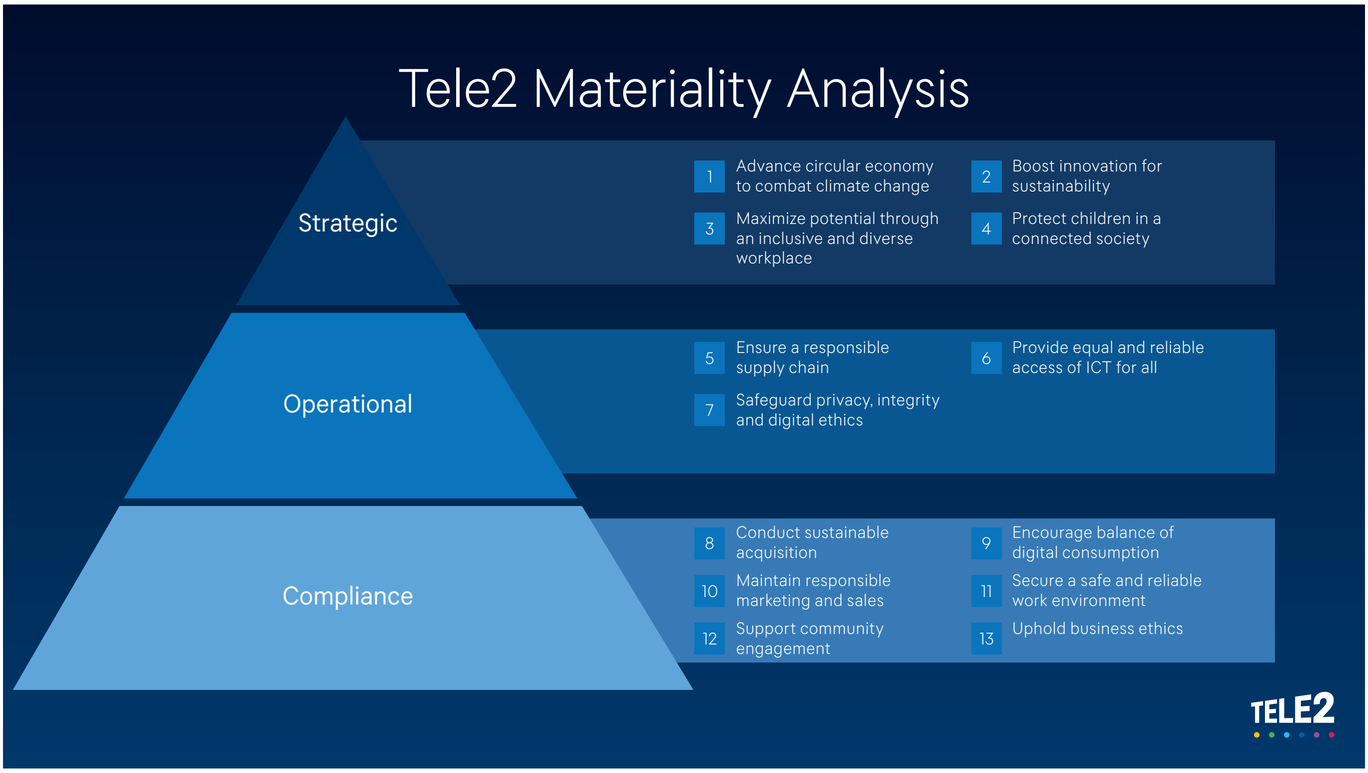
2. Materiality

When developing our materiality analysis, we first conducted a trend analysis. In the trend analysis we considered the importance of sustainability to our key stakeholders; customers, employees, and investors. By combining the results from the stakeholder dialogue and the impact analysis, as well as aligning with business priorities and our competitors' positions, 18 different sustainability topics were considered and eventually reduced to 13, and segmented into 3 different levels that determine our approach to them:

- Strategic: take an industry leading position and differentiate Tele2 from competitors to enable us to retain current and win new customers, investors, and employees
- Operational: continuously develop to a similar level as competitors within the industry to meet stakeholder expectations
- Compliance: maintain at current level of governance and performance as the topics are foundational, but have reached maturity in Tele2/society

There were 4 topics that were included in the strategic segment and considered the most material for Tele2 to address. These were introduced as focus areas for the new sustainability strategy:

- Advance circular economy to combat climate change
- Boost innovation for sustainability
- Maximize potential through an inclusive and diverse workplace
- Protect children in a connected society



3. Governance

The Tele2 Board of Directors holds the responsibility to approve the sustainability strategy, which supports the Tele2 business strategy. The Board is also responsible for the ongoing evaluation of the quality of the company's internal control functions and risk management, ensuring that the company is adequately equipped to mitigate and manage all kinds of risk. Through its integration into the sustainability strategy, climate change and climate risks are part of the overall risk registry. Climate risks are listed as one of the strategic risks in the risk registry. The Board reviews and approves the sustainability strategy and strategic risk registry once a year, whilst the mandate to execute on the strategy has been delegated to the Head of Sustainability and for the strategic risk registry to the Head of Internal Audit, who reports to the EVP Corporate Affairs. The audit committee reviews the sustainability strategy and the progress made on a quarterly basis. As part of the advancement of our sustainability strategy and our deepened understanding of how climate risks can affect Tele2, we will assess how we should best strengthen our proactive approach to climate change and climate risks.

4. The United Nations Sustainable Development Goals

The United Nations' Sustainable Development Goals (SDG) has established a framework for the most important issues in society that we collectively must address by 2030. We believe that a sustainable business has done an analysis of which goals and targets they address, and ensure that they address all 3 dimensions; biosphere, social and economic aspects, and that SDG 17 Partnership for the goals is a goal that all companies should address. Below you find a presentation of which goals, and targets within each goal, that Tele2 works with, sorted by the associated focus area of our sustainability strategy.

Advance circular economy to combat climate change

- 8.4 – Improve resource efficiency in consumption and production
- 12.2 – Sustainable management and use of natural resources
- 12.5 – Substantially reduce waste generation
- 13.2 – Integrate climate change measures into policies and planning

Boost innovation for sustainability

- 9.5 – Enhance research and upgrade industrial technologies
- 11.6 – Reduce the environmental impact of cities

Maximize potential through an inclusive and diverse workplace

- 5.1 – End discrimination against women and girls
- 5.5 – Ensure full participation in leadership and decision-making

Protect children in a conncected society

- 16.2 – Protect children from abuse, exploitation, trafficking and violence
- 17.17 – Encourage effectiven partnerships

5. Climate Related Risks and Opportunities

Climate risks are integral to Tele2's Enterprise Risk Management framework and are considered as a strategic risk. Our Board and Executive Management own the monitoring and mitigation of this risk. The Enterprise Risk Management framework principles including compliance with our Enterprise Risk Management policies and procedures are applicable to Climate Risks as well. The transition to a low carbon economy is associated with transitional risk, e.g., policy, liability, or technology risks, that may all incur additional costs. Climate change is increasingly driving regulation and taxation related to the reduction of greenhouse gas (GHG) emissions and the use of fossil fuels. The increasing scarcity of natural resources, particularly rare minerals used in network and consumer technology hardware, may lead to increased hardware costs. Increasing energy costs, GHG emissions taxation and price increases caused by natural resource scarcity may incur additional costs. The assessment of climate risks showed us that although our climate risk exposure is lower compared to other sectors such as heavy industry, materials and buildings or agriculture, we must work proactively to mitigate the risks associated with climate change. Our work with climate risks is admittedly at the early stages and we acknowledge that we must work to increase the capacity and know-how of how to deal with climate risks and what they entail, dispersing climate change knowledge throughout the organization. What we do know is that the risks associated with climate change will only grow bigger with time, and as such, climate risks are listed as one of the risks in our strategic risk registry. This means that there is a strong effort made by the Group Leadership Team to discuss, evaluate, and mitigate the climate risks.

Our key risk mitigation activities are:

- Periodic risk workshops are conducted to identify and assess climate risks.
- During 2020, Tele2 has transitioned to renewable electricity and has certified the Environmental Management System according to the Swedish Environmental Base standard.
- We are working to reduce our emissions of GHG emissions as quickly as possible to reduce our transitional risk.
- We have transitioned to renewable electricity and are gradually transitioning to renewable energy when feasible.
- Make our networks more energy efficient by taking a leading position in the AI4Green research project.
- Continued efforts to reduce e-waste.
- Continued follow-up to ensure compliance with relevant environmental laws and regulations.

7. First climate neutral telco in the Nordics and the Baltics

As the first telco in the Nordics and the Baltics, Tele2 became climate neutral in its own operations in 2020, consuming 100 percent renewable electricity and offsetting remaining emissions, related to for example company cars. For our largest operations in Sweden this was achieved already in 2018.

We are far from done, but we will celebrate every victory on the way. During the second half of 2020, a report by Morgan Stanley Research Estimates named Tele2 Europe's second-best telco in a ranking of efforts to reduce CO_2 emissions. In our annual carbon disclosure to CDP we were awarded a "B" score in 2021, which puts us on par or ahead of our main competitors. The "B" score is CDP's Management band, where companies are taking coordinated action on climate issues. Tele2 is praised by CDP for our climate targets, our emissions' reduction initiatives and our governance of climate issues.

Green and Sustainability-Linked Financing Framework

This Framework allows Tele2 to issue both Green and Sustainability-Linked securities, as well as a combination of the two. By creating a combined Framework, the company enables investments in green assets, as well as investments to increase its sustainability performance for the overall business. In the event of a combination of the two or if Tele2 issue both Green and Sustainability-Linked Bonds there will only be one combined annual impact and progress report issued by Tele2.

"With the purpose of enabling a society of unlimited possibilities, our ambition is to lead in sustainability. This Green and Sustainability-Linked Financing is one part of that journey."

Green Financing Framework

This Green Financing Framework has been developed in accordance with both the 2021 ICMA Green Bond Principles (GBP), as well as the 2021 APLMA, LMA and the LSTA Green Loan Principles (GLP). Through this Framework Tele2 may issue different securities including, but not limited to, Green Bonds. The Green Financing Framework is aligned with the four core components of the GBP and GLP, as well as the recommended External Review component:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting
5. External Review

1. Use of Proceeds

Tele2 has established this Framework to issue Green Finance Securities for which the proceeds will be exclusively allocated to finance, or refinance, in whole or in part, Eligible Assets. Eligible Assets are financed by Tele2, or its subsidiaries, and promote the transition towards a low-carbon and environmentally sustainable society, as determined by Tele2 in accordance with the categories defined in this Framework. The legal documentation for each Green Finance Security will refer to this Framework.

Refinancing is defined as assets that have been taken into operation more than one year before the time of approval by the Green Finance Committee. Tele2 will apply a maximum look-back period of no longer than 3 years. Proceeds will be allocated to capital expenditures and R&D within the Eligibility Criteria of this Framework. The distribution between new and refinanced Eligible Assets will be described in the Green Financing Investor Report. Tele2 will only finance Eligible Assets in the countries where we operate (Sweden and Baltics).

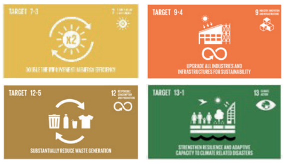
Exclusions

Proceeds from Green Finance Securities will not be allocated to Assets for which the purpose is fossil energy production, nuclear energy generation, weapons and defense, potentially environmentally harmful resource extraction (such as rare-earth elements or fossil fuels), gambling or tobacco. Tele2 is legally obliged to offer services to all clients. However, Tele2 will not use proceeds from Green Finance Securities to connect clients involved in negative environmental or societal aspects.

United Nations Sustainable Development Goals

In this Framework, each Eligible Assets category has been mapped to the SDGs in accordance with the High-Level Mapping to the Sustainable Development Goals published by ICMA.

Eligible Asset Category: Energy efficiency
Capital expenditures and R&D improving energy efficiency
Substantial contribution to: Climate Change Mitigation
United Nation Sustainable Development Goal: 7.3, 9.4, 12.5, 13.1



Criteria
Introduction, upgrades, and replacements of new technology based on 4G, 5G, Internet of Things ("IoT") and products and solutions which use less resources and energy per transferred data volume such as machine learning and artificial intelligence (AI) applications, radio access network (RAN) sharing, demand management technologies smart metering and smart data for logistics and fleet management.

Data centers which enable more efficient storage capacity and data exchange which reduces the energy consumption and GHG emissions. Tele2 will limit its activities under this category to facilities with a targeted annualized power usage effectiveness (PUE) of <1.5.

Fiber-optic networks and supportive infrastructure which reduces material intensity of the network itself and transfers data with improved energy performance and less energy per transferred data volume.

Context
Energy efficient in new network technology
5G and upgraded 4G consumes significantly lower amounts of energy per transferred data compared to previous generations and is therefore a crucial technology that can cater both for the increasing demand for data, as well as the need to decrease energy consumption.

Tele2's 5G networks also enable greater efficiency in a wider sense. As more and more parts of industries become connected, we will see efficiency on a level that is not possible today. The same goes for society as a whole, where public systems can become faster and more intelligent. Just imagine how energy efficient a truly connected city could become. Traffic systems interacting with public transport systems, interacting with carpark systems, interacting with GPS systems, interacting with connected cars and so on. 5G not only enables a more energy efficient society, it can also reduce traffic jams and overcrowded subways.

The total annual emissions of the mobile sector are about 0.4% of total global emissions. Compared to the global carbon footprint of mobile networks themselves, the level of avoided emissions enabled by mobile communications technologies is 10 times greater – a tenfold positive impact.

Eligible Asset Category: Clean transportation
Capital expenditures related to clean transportation
Substantial contribution to: Climate Change Mitigation
United Nation Sustainable Development Goal: 11.2

Criteria
Zero emission transport solutions such as electric, fuel cell and other vehicles with zero direct tailpipe CO_2 emissions as well as supportive infrastructure such as electrical charging and hydrogen refuling stations.

Context
Tele2 car fleet
All new company cars are required to be electric vehicles which will result in a substantial reduction of emissions as the fleet of company cars is replaced by electric vehicles. For the time being this commitment does not include service vehicles within the company, but such service vehicles will not be financed with green bonds.

Eligible Asset Category: Renewable energy
Capital expenditures related to renewable energy
Substantial contribution to: Climate Change Mitigation
United Nation Sustainable Development Goal: 7.2

Criteria
Renewable energy production techology and solutions from solar, wind and geothermal power with a emission free GHG emission as well as supportive infrastructure such as connections, electric substations, and foundations.

Context
Tele2's energy consumption
Renewable electricity comes from various sources such as hydro power. Tele2 is constantly evaluating how remaining energy consumption that is currently not from renewable sources, for instance back-up power generators, can be transitioned to renewable sources.

2. Process for Project Evaluation and Selection

Tele2 has established a Green Finance Committee (GFC) consisting of representatives from the Treasury, Strategy, Technology and Sustainability teams. The committee will meet on a regular basis and at least once a year, their decisions will be made in consensus. The responsibilities of the committee are, among other things, to evaluate the compliance of the proposed Eligibility Assets with the eligibility criteria outlined in the Use of Proceeds section of this framework, applicable laws and regulations, as well as Tele2's sustainability strategy, policies and established long-term goals for social and environmental sustainability such as the environmental and social risk management system. The Green Finance Committee is also responsible for replacing investments that no longer meet the eligibility criteria (following divestment, liquidation, concerns regarding alignment of underlying activity with eligibility criteria etc.). The Committee will, on a best effort basis, review and update the content of the Green elements of this Green and Sustainability-Linked Financing Framework and manage any future updates of this document to reflect the relevant changes in Tele2's corporate strategy, technology, and market developments such as the EU classification of environmentally sustainable economic activities the EU Taxonomy.

3. Management of Proceeds

An amount equal to the proceeds of any Green Finance Securities raised under this Framework will be credited to an earmarked account that will support Tele2's financing of Eligible Assets. As long as Green Finance Securities are outstanding and the earmarked account has a positive balance, funds may be deducted from the earmarked account and added to Tele2's lending pool in an amount up to all disbursements from that pool made in respect of Eligible Assets. The earmarked account will ensure monitoring and tracking of the Eligible Assets. Tele2's Treasury team is responsible for the allocation of proceeds. If, for any reason, an Eligible Asset ceases to comply with the requirements set out in this Framework, the asset will be removed from the earmarked pool. The ambition is to use the proceeds within 12 months from the time of issuance of the green financing instrument. Proceeds yet to be allocated towards Eligible Assets will be placed in the liquidity reserves and managed as such.

4. Reporting

To enable investors to follow the development and to provide insight into prioritized areas Tele2 will provide a Green Financing Investor Report on an annual basis. Tele2 intends to report on quantitative impact indicators where feasible and relevant data information is available. The information may be provided on an aggregated basis where confidentiality agreements, competitive considerations, or a large number of underlying projects limit the amount of detail that can be made available. In the event of a combination of a Green and Sustainability-Linked bond or if Tele2 issues both Green and Sustainability-Linked bonds there will only be one combined annual Green Financing Investor and Progress Report issued by Tele2. The Green Financing Investor Report will include:

4.1 Allocation Reporting

1. A description of the portfolio of Eligible Assets;
2. Type of financing Securities utilized and respective outstanding amounts;
3. Information on the split between new financing and re-financing;
4. A list of Eligible Assets including the amounts allocated, including allocated and disbursed amounts per category and geographical distribution.

4.2 Impact Reporting

The impact reporting aims to disclose the environmental impact of the Eligible Assets financed under this Framework, based on Tele2's financing share of each Asset. As Tele2 can finance large and small Eligible Assets, impact reporting may, to some extent, be aggregated.

The impact assessment is provided with the reservation that not all related data can be covered and that calculations therefore will be on a best effort basis e.g., if a Green Asset is under development but not yet operational, Tele2 will provide best estimates of future energy performance. The impact assessment will, if applicable, be based on the Key Performance Indicators (KPIs) presented in the table below.

Examples of impact indicators for Energy efficiency	• Energy use per terabyte/year (in MWh) • Annual energy savings in MWh (compared to replacement technology)
Examples of impact indicators for Clean transportation	• % of fossil-fuel free vehicles (as % of total vehicles) • % of fossil-fuel free equipment (as % of total fuel use per annum of equipment) • Low carbon infrastructure: number of EV charging points • Estimated reduced GHG emissions (in ton Co_2e)
Examples of impact indicators for Renewable energy	• Renewable energy generated (MWh) • Installed generation capacity (MW) • Estimated avoided/reduced GHG emissions (in ton Co_2e)

5. External Review

5.1 Second party opinion (pre-issuance)

To secure alignment with national and international guidelines, in accordance with the Guidelines for Green, Social, Sustainability and Sustainability-Linked Bonds External Reviews as developed by the Green and Social Bond Principles, Tele2 has engaged Sustainalytics to act as an independent external verifier of this Green and Sustainability-Linked Financing Framework. For the avoidance of doubt Sustainalytics has only provided one second party opinion for this entire Green and Sustainability-Linked Financing Framework.

5.2 Third-Party Review (post-issuance)

Tele2 will appoint an external independent auditor to annually assure that the selection process for the financing of Eligible Assets and that the allocation of the net proceeds of the Green Financing Securities is done in accordance with Tele2's Green Financing Framework.

5.3 Publicly Available Documents

The Green and Sustainability-Linked Financing Framework, the second party opinion and the Green Finance Investor Report will be publicly available on Tele2's website.

Sustainability-Linked Financing Framework

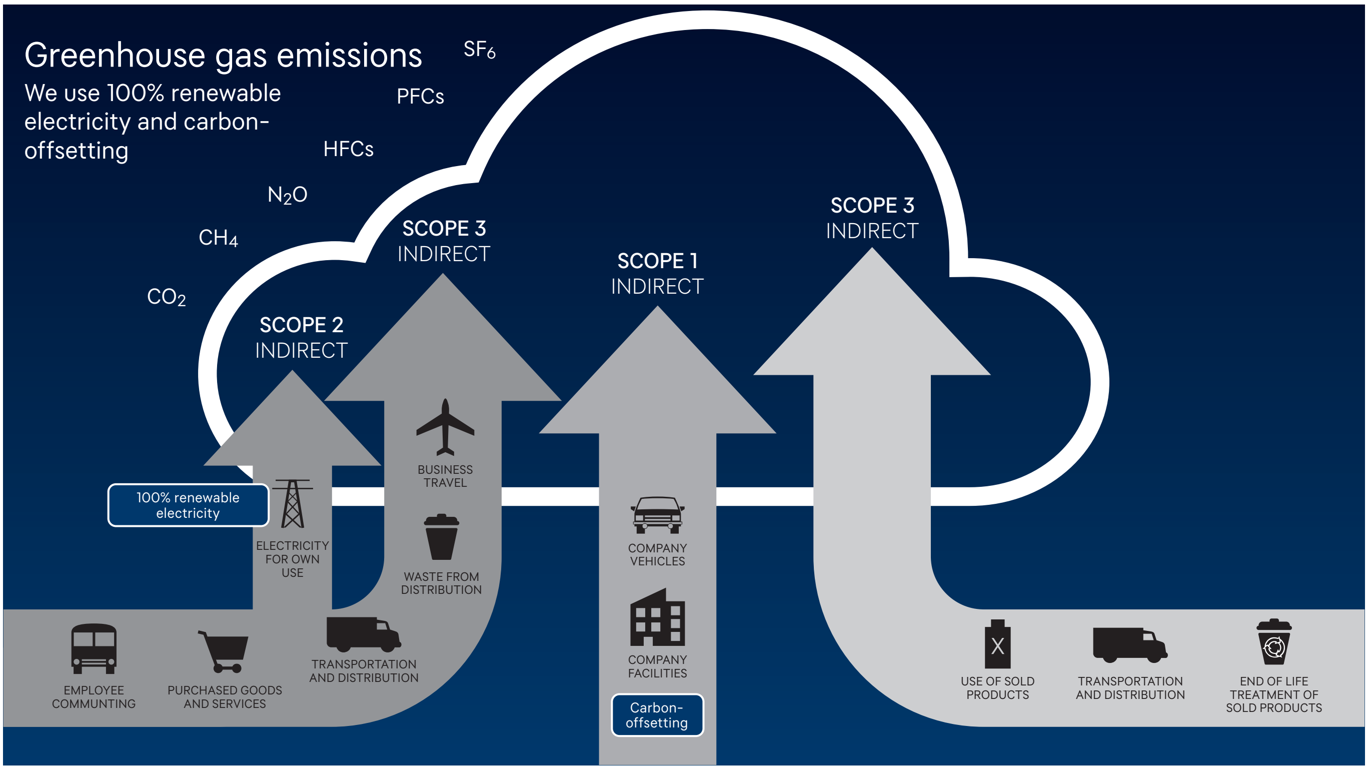
This Sustainability-Linked Financing Framework has been developed in accordance with the Sustainability-Linked Bond Principles (SLBP), established by ICMA in June 2020, as well as the Sustainability Linked Loan Principles (SLLP) established in May 2021 by APLMA, LMA and LSTA. Through this Framework Tele2 may issue different securities including, but not limited to, Sustainability-Linked bonds.

The Sustainability-Linked Financing Framework has been developed to be aligned with the five core components of the SLBP and SLLP:

1. Selection of Key Performance Indicators (KPIs)
2. Calibration of Sustainability Performance Targets (SPTs)
3. Security characteristics
4. Reporting
5. Verification

This Sustainability-Linked Financing Framework will contribute to awareness around Tele2's commitment to our goals, as well as offer an opportunity to communicate with investors and other market participants about our work within this area in a dedicated and frequent manner. For more information about our commitment to ongoing reporting please read the reporting section in this Framework.

1. Selection of Key Performance Indicators (KPI)
The KPIs that have been included for the purpose of this Sustainability-Linked Financing Framework are mirroring the key sustainability challenges of the telecommunication industry as well as the ones Tele2 is facing. As part of our sustainability strategy a set of activities have been set with the aim of making progress on our long-term goal within the focus area of achieving net-zero emissions in our supply chain and enabling an environmentally sustainable society. As part of our commitment to lead in sustainability, we take seriously our responsibility to do our part to reduce global warming and are proud that our targets have been approved by the Science-Based Target initiative (SBTi).



Key Performance Indicators

KPI 1: Reduction of Scope 1,2 GHG emissions. Including CO_2 and other GHG emissions as defined in the GHG Protocol.

With the purpose of enabling a society of unlimited possibilities, our ambition is to lead in sustainability. Climate change is an important issue for us to address, as we and our industry have historically had a negative impact on the climate, our future success is dependent on reducing global warming.

This KPI refers to the EU environmental objective Climate change mitigation as described in the Regulation (EU) 2020/852 as well as to the United Nations Sustainable Development Goal 7,3 and 12,5.

"Double the improvement in energy efficiency"

"Substantially reduce waste generation"

KPI 2: Reduction of Scope 3 GHG emissions. Including CO_2 and other GHG emissions as defined in GHG Protocol.

As part of our commitment to lead in sustainability, Tele2 is aiming to become the first telco in the markets where we operate to achieve net-zero emissions in our supply chain. We take seriously our responsibility of doing our part to reduce global warming and are proud that our ambitious goals are approved by the Science-Based Target initiative.

This KPI refers to the EU environmental objective Climate change mitigation as described in the Regulation (EU) 2020/852 as well as United Nations Sustainable Development Goal 9,4 and 13,1.

"Upgrade all industries and infrastructures for sustainability"

"Strengthen resilience and adaptive capacity to climate-related disasters"

Calculation Methodology

Scope 1 represents GHG emissions from Tele2's own operations, and Scope 2 represents indirect GHG emissions from consumption of purchased electricity, cooling and heat. Tele2's definitions are aligned with the GHG Protocol. Targets for these emissions are set towards at least a 1.5 degrees scenario. The appendix provides further details on the SBTi commitment and calculation method.

Calculation Methodology

Scope 3 represents GHG emissions from Tele2's value chain. Tele2's definitions are aligned with the GHG Protocol. Targets for these emissions are set towards at least a 1.5 degrees scenario. The appendix provides further details on the SBTi commitment and calculation method.

2. Calibration of Sustainability Performance Targets (SPTs)

Strategic Performance Targets	
SPT 1: Tele2 commits to reduce absolute scope 1 and 2 GHG emissions 100% by 2029 from a 2019 base year.	SPT 2: Tele2 commits to reduce scope 3 GHG emissions 60% per subscription by 2029 from a 2019 base year.
Tele2's aim is to reduce its absolute Scope 1 and 2 GHG emissions by 100% until 2029 from a 2019 base-year. This target has been validated and approved by the Science Based Targets initiative as being aligned with reductions required to at least 1.5 degrees scenario.	Tele2 is aiming to become the first telco in the markets where we operate to achieve net-zero emissions in the value chain. This target has been validated and approved by the Science Based Targets initiative as being aligned with reductions required to the at least 1.5 degrees scenario.

Historical scope 1 and 2 emissions		Historical scope 3 emissions	
Year	Emissions (tCO_2e) for continuing operations	Year	Emissions (tCO_2e) for value chain
2017	78,413		
2018	53,914		
2019	43,258	2019	189,168
2020	9,147	2020	189,629
2021	2,594	2021	183,286

Benchmarks

The Science Based Targets initiative has approved our GHG emissions reduction targets for target year 2029. By benchmarking our ambition against the ambition stated in the Paris Agreement, we have aligned our targets with both the expectations on climate action from our customers and future policy initiatives.

Strategy to achieve SPT 1	Strategy to achieve SPT 2
We will continue to exclusively purchase renewable electricity from hydro power and ensure that all company cars (excluding service vehicles) should be electric vehicles by 2024. To achieve the further reductions required Tele2 will consider electric vehicles or hydrogen for service vehicles and equipment, to ensure scope 1 emissions decrease to 0 by 2029. Furthermore, Tele2 will work to replace back-up generators with fuel cells or other zero emission technology, to eliminate emissions from back-up power sources. Finally, Tele2 will work to replace refrigerants used in cooling data centers with low emissions alternatives.	Advancing circular economy means improving our value chain's use of natural resources thereby decreasing e-waste, combined with lowering carbon emissions in our value chain, can have a high environmental impact. This can in turn lead to a high social and economic impact, as they are co-dependent. We will also continue to engage our suppliers about our targets and encourage our suppliers to follow them by including plans to reduce emissions together. We will inform our customers about how to use the products they purchase from us in a way that reduces the climate impact of the use of sold products, for instance encouraging the use of renewable electricity whenever possible. We will also reduce emissions from employee commuting and business travel by choosing more environmentally friendly options as well as use renewable electricity in transportation and distribution as well as fuel and energy related activities.

Level of ambition

Tele2 had its emission reduction targets approved by the Science-Based Targets initiative to be consistent with the required levels to meet the goals of the Paris Agreement. The targets that apply to greenhouse gas emissions from Tele2's operations (scopes 1 and 2) are consistent with reductions required to limit global warming to 1.5°C, the most ambitious goal of the Paris Agreement. Tele2's target for the emissions from its value chain (scope 3) meets the SBTi's criteria for ambitious value chain goals and is in line with current best practices. The 2029 target was assessed, approved, and verified by the Science Based Targets initiative in May 2021.

3. Security Characteristics

The financial and structural characteristics of any security issued under this Framework will be specified in its corresponding security documentation, including the potential changes to the financial and/or structural characteristics which may succeed any Trigger Event(s). For any securities issued under this Framework, there will only be one Trigger Event impacting the financial characteristics of the security. The Trigger Event will result in a coupon step-up or increase in the redemption price.

3.1 Trigger Events

The occurrence of any of the following events (the Trigger Events) may trigger a change in the financial and/or structural characteristics of the relevant security as described below in section 3.2 (Changes to the Security Characteristics).

- Tele2's KPI performance in relation to the applicable SPT for the relevant Target Observation Date(s) as reported on or before the Reporting End Date following the applicable Reference Period, or
- Tele2's reporting does not meet the requirements set out in section 4 (Reporting) of this Framework, or
- The verification of the KPI performance in accordance with section 5 (Verification) of this Framework has not been provided and, when applicable, made public by the Reporting End Date.

The Target Observation Dates is defined as any date when KPI performances is observed and if applicable measured against relevant SPTs.

The "Reporting End Date" for any given year up to and including the Reference Period shall be the date falling 120 days after the 31st of December of that year.

The Reference Period sets out the period up until and including the Target Observation Date for which the KPI performances are observed.

3.2 Changes to the Security Characteristics

The occurrence of a Trigger Event may result in changes to the financial and/or structural securities characteristics. Such changes will be described in the relevant securities documentation.

3.3 Fallback mechanisms and exceptional events

The KPI metrics during the base year will be recalculated to reflect any significant changes in Tele2's structure (e.g., acquisition, divestiture, mergers, insourcing or outsourcing). The threshold value for a significant change is a change that impacts the Sustainability Performance Target, in aggregate, by 5 percent or more. Any recalculations for a certain KPI must be reported on, see the Reporting section below, and verified by an independent, qualified external reviewer as outlined in the Verification section of this Framework.

Our long-term targets may require recalculation to reflect our growth assumptions used to project the target and to reflect the latest climate science. For example, targets could be recalculated to align with the latest emissions scenarios available from the IPCC or other scientific bodies, as these scenarios are published. Recalculation will not be triggered by organic growth and decline.

In general, Tele2 should check its targets annually and at minimum every five years. When target projections have changed, Tele2 is recommended to keep short-term targets and recalibrate its long-term target trajectory as short-term targets come due for renewal.

4. Reporting

In order to provide investors, lenders, and other stakeholders with adequate information about Tele2's implementation of its sustainability strategy, Tele2 will provide relevant reporting on the progress made with respect to the KPIs, and (in relation to any Reference Periods) the achievement or not of the SPTs set out in the security specific documentation. Such reporting shall be made publicly available on an annual basis in a Sustainability-Linked Financing Progress Report (SLF Progress Report) and in any case for any date/period relevant for assessing the KPI performances leading to a potential adjustment of the financial and/or structural characteristics of bonds issued hereunder. In the event of a combination of a Green and Sustainability-Linked bond or if Tele2 issues both Green and Sustainability-Linked bonds there will only be one combined annual Green Financing Investor and Progress Report issued by Tele2. The SLF Progress Report shall be published on Tele2's web page no later than the Reporting End Date after the end of the year being reported on up to and including the Reference Period.

The SLF Progress Report will form the basis for evaluating the impact on the characteristics of any securities issued under this Framework, as outlined in section 3 (Security characteristics).

If a change to the financial and/or structural characteristics of the security is triggered due to failure to report, the change will only occur after the reporting end date, for the relating Reference Period, regardless of when a failure to provide the verification occurs.

The SLF Progress Report will contain all the relevant information needed to assess the progress towards the SPTs (including the relevant SPTs for the applicable Target Observation Date(s) including but not limited to:

- The performance of the KPIs, as per the relevant reporting period and when applicable, as per the Target Observation Date, including the calculation methodology and baselines where relevant;
- Information about recalculations, if any, of the KPI levels;
- A verification report relative to the KPI performances, outlining the performance against the SPTs and the related impact, and timing of such impact, on the Security Characteristics; and
- Information on relevant updates to the company's emission reduction strategy and/or governance with an impact on the KPIs

Where feasible and possible the SLF Progress Report will also include:

- Qualitative and/or quantitative explanations of the contribution of the main factors, including M&A activities and changes to the organization, behind the evolution of the performance of the KPIs on an annual basis;
- Illustration of the positive sustainability impacts of the performance improvement;
- Updates on new or proposed regulations from regulatory bodies, such as but not limited to the EU or local markets where Tele2 operate, relevant to the KPIs.

The SLF Progress Report referred to above shall be verified by a qualified external with relevant expertise as described in section 5 (Verification).

5. Verification

In order to provide transparency to investors, lenders and other stakeholders, and in alignment with the Sustainability-Linked Bond Principles and the Sustainability Linked Loan Principles, Tele2 will ensure an external and independent verification by one or more qualified external reviewers with relevant expertise, as outlined in the Guidelines for Green, Social, Sustainability and Sustainability-Linked Bonds External Reviews developed by the Green and Social Bond Principles, of its actual KPI performance levels against the targets (including the relevant SPTs). The verification shall be conducted with limited assurance by the external reviewer. Tele2 has the discretion to change the external reviewer subject to fulfilling the requirements set out herein.

The verification shall be made public together with Tele2's annual SLF Progress Report on the company's webpage no later than the Reporting End Date, and in any case for an SPT(s) related Trigger Event, as outlined in section 3 (Security Characteristics).

In relation to any SPTs, the verification, together with the SLF Progress Report, will form the basis for evaluating whether a Trigger Event has occurred with respect to any bond issued under this Framework as described in section 3 (Security Characteristics) above.

For the avoidance of doubt, if a change to the financial and/or structural characteristics of the security is triggered due to failure to provide verification, the change will only occur after the reporting end date relating the Reference Period, regardless of when a failure to provide the verification occurs.

6. Second Party Opinion

To secure alignment with national and international guidelines, in accordance with the Guidelines for Green, Social, Sustainability and Sustainability-Linked Bonds External Reviews as developed by the Green and Social Bond Principles, Tele2 has engaged Sustainalytics to act as an independent external verifier of this Green and Sustainability-Linked Financing Framework. For the avoidance of doubt Sustainalytics has only provided one second party opinion for this entire Green and Sustainability-Linked Financing Framework.

7 Publicly Available Documents

The Green and Sustainability-Linked Financing Framework, the second party opinion and the Green Finance Investor Report will be publicly available on Tele2's website.

Appendix

Scope 1 and 2 calculations for Science-based target

In 2019 our scope 1 emissions totaled 3,112 t CO_2e and our scope 2 emissions totaled 39,946 t CO_2e.

In 2020 our scope 1 emissions decreased by over 1,000 tons, partly due to the pandemic, and our scope 2 emissions decreased to 6,634 t CO_2e, based on our decision to start buying 100% renewable electricity for Baltics since April 1 (Sweden already does this since 2018). This led to a reduction of scope 1 & 2 emissions by 34,111 t CO_2e (-79%) compared to 2019.

As of October 1, 2020, all new company cars (except service vehicles) must be electric vehicles. This is expected to lead to a substantial reduction of scope 1 emissions by 2023–2024 as the current fleet of company cars is replaced by electric vehicles.

In 2018 when Tele2 Sweden made the decision to buy 100% renewable electricity, total scope 1 & 2 emissions decreased by over 90% from 42,721 t CO_2e to 2,986 t CO_2e. In calculating a mid-term goal for 2025 it therefore seemed reasonable to set a 90% target for when our Baltic operations would transition to using 100% renewable electricity, and a good milestone on the way towards the target of 100% reduction by 2029.

Activities to take us from -90% to -100% in scope 1 & 2 from 2021 to 2029 remain to be determined, and will involve areas such as replacing fossil-fuel service vehicles and equipment, diesel to power back-up generators, and replacing data center refrigerants with low emissions alternatives.

According to the SBTi and GSMA guidance the target year should be at least 5 years (2024) from the base year (2019) and must be at least 5 years (2025) from the year of submission (2020).

Scope 3 calculations for Science-based target

In calculating the emissions reductions for scope 3, the following 3 categories have been considered:

1. Purchased goods and services: a reduction of 66% (96 000 t CO_2e)
2. Use of sold products: a reduction of 47-52% (13500 – 15000 t CO_2e)
3. Other: a reduction of 48% (5000 t CO_2e)

These activities together add up to the reduction of total scope 3 emissions by 115 250 t CO_2e by 2029, or 61%.

Purchased goods and services

The emissions in this category in our base year 2019 was 145,345 t CO_2e. Our best estimate at this time is that 1% of our spend equals 1% of our emissions, and it is based on this assumption that we present the proposed reduction activities below.

In 2019, 15 suppliers accounted for 60% of spend, and in total 40 suppliers accounted for 80% of spend. Suppliers representing 33% of spend have already announced targets to reduce their emissions to 0 by 2030, or significantly decrease their emissions by 2030. We should be able to reach an additional 20% reduction of emissions in this category through dialogue and setting demands on remaining key suppliers

Proposed activities to reach a 66% reduction in scope 3: Purchased goods and services. Activities have been aligned with Procurement and Commercial organizations that own the relationships with the suppliers.

- 2021: engage in dialogue with top 20 suppliers to inform them of our targets
- 2022: engage with top 20 suppliers with the ambition to have a plan in place by 2023 to reduce emissions by at least 60% by 2029. Engage in dialogue with 21–40 top suppliers to inform them of our targets
- 2023: develop a process for monitoring supplier performance towards 2029 reduction target. Engage with top 21–40 suppliers with the ambition to have a plan in place by 2024 to reduce emissions by at least 60% by 2029
- 2024: include emissions reductions that help support our 2029 goal as a demand in our Business Partner Code of Conduct

Use of sold products
The main source of the emissions in this category is the electricity that our customers use to power and charge equipment that they have purchased from us or that they use to be able to use our services. For these calculations we focus on our main market Sweden.

There is a general trend among consumers in our main market Sweden to buy electricity from renewable sources to a greater extent, and for the share of renewable electricity on the market to grow. In 2010, 56% of the electricity which was used in Sweden was from a renewable source. This increased to 66% in 2018. Assuming this trend remains steady the share of electricity which is renewable in Sweden would be 81% by 2029. This is estimated to lead to a reduction of the emissions in this category by 42%.

Tele2 could initiate an information campaign aimed at our wide-reaching customer base about the impact of buying renewable electricity. Through that we should be able to convince some of our customers to choose renewable electricity. If the information campaign can convince 5–10% of those customers who have not already switched to renewable electricity by 2029 to do so we estimate that this could lead to a reduction of emissions in this category by 5–10%.

Provided that the trend towards using more renewable electricity continues, and that Tele2's information campaign has the intended effect we estimate that the emissions in this category could decrease by 47–52% by 2029.

Other Scope 3 categories
In our base year of 2019, the emissions in this category came from the following categories:

- Fuel and energy related activities (6,120 t CO_2e)
- Business travel (2,546 t CO_2e)
- Transportation and distribution (1867 t CO_2e)
- Employee commuting (3,443 t CO_2e)

By 2029 we aim to achieve the following reductions:

- Fuel and energy related activities -50%: This category mainly consists of the scope 3 emissions of our energy providers (our scope 2 emissions). This is generally used to be lower for companies that transition to using 100% renewable energy. We believe that this in combination with engaging in a dialogue with our energy provider will enable us to reduce the emissions of this category by 50%.
- Business travel -50%: of which -25% comes from airlines reduction 2030 reduction target, e.g., SAS, and of which a further -25% comes from reduced air travel, in line with our updated travel policy's requirements and the changes in travel patterns following the Covid-19 pandemic and the more widespread use of videoconferencing.
- Transportation and distribution -40%: The use of renewable energy in the transportation sector has increased from 10% in 2010 to 33% in 2019. If this trend continues at the same pace the share of renewable energy in the transportation sector would be closer to 60% in 2029, which would lead to a reduction of emissions of close to 40%.
- Employee commuting -50%: of which -25% comes from the replacement of fossil-fuel vehicles with electric vehicles, and of which a further -25% comes from encouraging employees to use public transportation, cycle or car sharing to and from work.

Provided that the above-mentioned activities can be implemented we estimate that the emissions in this category could decrease by 51% by 2029.

Documentation of Environmental and Sustainability work

#	Name	Public/Non-Public
1	Annual and Sustainability Report	Yes
2	Environmental policy	Yes
3	Sustainability strategy	Yes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