

2019

Sustainability Report



TELE2

We are a part of the solution
for a sustainable future

With a vision of being the
smartest telco in the world,
Tele2's promise is to lead
in sustainability

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1.5°C

Commitment to set science-based targets

Tele2 has committed to setting science-based targets for greenhouse gas emissions reduction, to limit global warming to 1.5°C over pre-industrial levels. This way we will help fight climate change. The targets mean that we will have to reduce our own greenhouse gas emissions, and demand the same from our business partners.

[Read more on our site](#)



Lead in sustainability

We want to be the smartest

Our vision is to be the smartest telco in the world, creating a society of unlimited possibilities. In our new vision we have made a simple and ambitious promise. Our promise is to lead in sustainability. For us that means finding smarter ways of doing things, make brave decisions, and be unconventional.

[Read more on our site](#)



500,000

blocked attempts to access
Child Sexual Abuse Material,
every month

Tele2 is dedicated to fight the distribution of Child Sexual Abuse Material (CSAM) online. A key effort in this fight is to block attempts to access websites that have been classified to contain CSAM. We do this across our entire footprint, amounting to more than 500,000 blocked attempts per month.

[Read more on our site](#)



“

We have made a simple and ambitious promise: to lead in sustainability.

Sustainability is a foundation for our business

The importance of sustainability in society has continued to increase during 2019. We see that our customers, investors, employees and other stakeholders are putting sustainability higher - or even at the top of - their agendas. For us, sustainability needs to be integrated into our business, because we believe it is necessary for the long-term performance of our core business, and to meet the demands from our stakeholders. Based on that sustainability is, and must be, a foundation for our business.

To guide us in the new decade, we have launched a new corporate vision: being the smartest telco in the world, creating a society of unlimited possibilities. In it we have made a simple and ambitious promise: to lead in sustainability. We want to take a leading role in our industry, and drive the agenda. We want to decrease our negative environmental impact, increase our positive social impact, and at the same time grow our business.

When we achieve this we can say that we have truly sustainable growth. To lead in sustainability also means that we help our customers become more sustainable by using our services.

There are five areas that we consider to be the most material for us. These are child protection, diversity & inclusion, environment, ethics & compliance, and privacy & integrity. We work tirelessly within these focus areas to make progress towards the long-term goals that we have set for each area. For more information about our progress during the year, please see the “Activities per focus area” section on p. 10-13.

We measure our progress in a carefully selected group of important external rankings, that recognize the efforts that we undertake to lead in sustainability. I am particularly proud that we have maintained our AAA-rating with MSCI, which puts us in the top 9 percent globally, in the telecommunication services industry. In Equileap's global gender equality report we were ranked as

the 2nd best Swedish company and 35th best globally. The recognition that we get for all the hard work that we do makes me very proud.

When I look at the decade ahead I see many global challenges, but also opportunities. The framework that the United Nations' 2030 Agenda for Sustainable Development, and the Sustainable Development Goals, provide, is a great help for us to ensure that we are taking action where it is most urgently needed. We have analyzed which target within each goal that we address, either through our core business or through our sustainability efforts, and this analysis is presented on p. 7.

I am very proud of the progress that we have made in 2019, and it is with confidence that we enter a new decade, which will certainly be a decade of sustainable development, sustainable business and sustainable growth.

Anders Nilsson
President and CEO

KEY HIGHLIGHTS 2019

2+1

We hired 2 women for every 1 man

AAA

We maintained our MSCI AAA-rating

CO₂

We committed to setting science-based targets

Welcome to the Tele2 Sustainability Report 2019



With this sustainability report, we are celebrating a decade of sustainability reporting, and what a transformative decade it has been. At Tele2 we are proud of what we have achieved during this decade, as well as during the latest year. The demands put on our sustainability efforts makes sustainability more and more significant as a foundation for our business. This report is an important tool for us to share how we meet these demands.

The information in this report is structured in the following manner; first we introduce our approach to sustainability, then how we work with the United Nations' Sustainable Development Goals (UN SDG), followed by our goals and activities for each focus area. In the final section of the report we present our GRI Report, where we have more detailed results within a set of material key performance indicators.

“We have also launched a new vision for the company, which means that our ambition in sustainability has gone from being a responsible challenger to lead in sustainability”

This year we have had a focus on consolidation, and ensuring that the integration of sustainability into our day-to-day operations continues. The integration of Com Hem's and Tele2's approach to sustainability has been completed, and we

have ensured a responsible approach in all of our five focus areas. In each focus area we have set targets for the year, covering all material Environmental, Social and Governance (ESG) aspects. We have also launched a new vision for the company, which means that our ambition in sustainability has gone from being a responsible challenger to lead in sustainability.

This report presents our performance during the year in the areas that we believe are the most material for our stakeholders. We hope that you will find it useful to further understand how we work with sustainability as a foundation for our business.

For more information, click here to go to the sustainability section of our [website](#).

The Tele2 approach to Sustainability

We are now taking the next step in our journey towards becoming a more sustainable business. 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 the 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.

Our Board of Directors is responsible for setting the sustainability strategy and the targets, and four members of the Leadership Team are responsible for the strategy execution. We have a Head of Sustainability for the group who is responsible for proposing a strategy, reporting and communication. The Head of Sustainability collaborates with the Leadership Team members to execute the strategy and make progress towards the targets in the affected business units.

We ensure that we focus our resources on the most important issues by working with five focus areas, which we consider to be the most material to our operations. In each focus area we have set long-term goals. The five focus areas and their respective long-term goals are:

- **Child protection** – Actively protecting children in a connected world
- **Diversity & inclusion** – Build an inclusive environment where diverse talent can perform at their best and at the same time a gender-balanced workforce with 50 percent women and 50 percent men by 2023
- **Environment** – Being the greenest operator and enabling an environmentally sustainable society
- **Ethics & compliance** – Leading in doing ethical business
- **Privacy & integrity** – Trusted by customers and employees to handle their data

Within each of these focus areas, we strive to bring continuous improvement to our operations every year. In the chapter “What we did in 2019” you can read how we did that in 2019. If you are interested in reading more about our focus areas, please click here to go to the sustainability section of our [website](#).



The Tele2 Sustainability Strategy

Tele2's sustainability strategy executes on our promise to lead in sustainability. We have five focus areas, and have set a long-term goal in each of these focus areas. Yearly we set targets to make sure that we make progress towards our long-term goals.

Executive responsibility for focus areas



“I am proud that we continue to lead in taking responsibility for those who are most vulnerable. In an online context, those are our children.”

Viktor Wallström
EVP Communications & Sustainability
Child Protection



“We can help our customers reduce their negative environmental impact, but we also have to make sure we minimize our own negative environmental impact.”

Thomas Helbo
EVP Technology
Environment



“We want to build an inclusive environment for our diverse talents, and make progress towards our goal of being a gender-balanced company by 2023.”

Karin Svensson
EVP People & Change
Diversity & Inclusion



“I want both employees and business partners to know our code of conduct, and our customers should always feel safe about how we handle their data.”

Stefan Backman
EVP General Counsel
Ethics & Compliance, Privacy & Integrity

Tele2's way of working with the United Nations' Sustainable Development Goals

The United Nations' Sustainable Development Goals (UN SDG) has established a framework for the most important issues in society that we collectively must address until 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, along with a brief description of how we work with them.



SDG 5 – Gender equality

5.1 – Tele2 has a dedicated anti-discrimination policy, and promotes and monitors gender equality.

5.5 – Tele2 has set a goal to be gender-balanced in executive and managerial roles by 2023, to ensure full and effective participation for women and equal opportunities for leadership.



SDG 8 – Decent work and economic growth

8.2 – Tele2 improves economic productivity by working on technical innovation.

8.4 – Tele2 contributes to increase resource efficiency, among other things by reusing and recycling returned phones and technology hardware.

8.5 – All employees should have equal pay for equal work and fair working conditions.

8.8 – Tele2 promotes a safe working environment for all employees at Tele2.



SDG 12 – Responsible consumption and production

12.2 – Tele2 promotes a more sustainable consumption and minimizing the use of natural resources.

12.5 – Tele2 is trying to minimize the amount of waste generated throughout the value chain.

12.8 – Through internal and external communication, Tele2 is promoting awareness and increased knowledge to the public and employees about sustainability and sustainable consumption.



SDG 13 – Climate action

13.2 – Climate actions matters are addressed in policies and the planning process within Tele2 by promoting sustainable ways of operating through lowering the emissions of greenhouse gases and considering the adverse impacts of climate change.

13.3 – Tele2 is raising awareness about how a green telecommunications provider in Sweden operates, promoting sustainability awareness both internally and externally.



SDG 16 – Peace, justice and strong institutions

16.2 – To eradicate violence and abuse against children, Tele2 has supported BRIS during 2019, and is a cofounding member of ECPAT's Telecom coalition. Tele2 works actively to block access to website containing child sexual abuse material.

16.5 – To contribute in the work against corruption, Tele2 has an anti-corruption policy that is up to date.

16.10 – Tele2's core business is to enable freedom of access to information for all customers.



SDG 17 – Partnership for the goals

17.17 – Tele2 actively supports civil society partnerships that foster sustainable development in accordance with the sustainable development goals. Tele2 is a founding member of, and has a long-standing partnership with, Reach for Change to support social entrepreneurship as a means of tackling societal issues. Other partnerships include BRIS and ECPAT.



What we did in 2019

Building on a well laid foundation and updating our organization

During the year we have reviewed both our materiality analysis and our sustainability strategy. This review has not led to any changes. The sustainability strategy is reviewed and approved by the Tele2 Board of Directors, as part of the overall corporate strategy decision making process.

As we did for the first time in 2018, we have set ESG targets for each of the five focus areas in 2019, that help us make progress towards our long-term sustainability goals. Having measurable sustainability targets helps our organization focus on the most important issues and maximize the value that we create. All targets and their achievements are presented in the table on the next page.

To ensure that sustainability gets the right executive management level attention, these targets are included in the short-term incentive program for

the Tele2 Leadership Team, meaning that their variable pay is dependent on the achievement of these ESG targets. We will develop new targets for 2020 and include them in the Tele2 short-term incentive program for executives. Additionally, each of the five focus areas has a member of the Leadership Team who is responsible for implementing them. At the country level, each operation has a single point of contact who is responsible for sustainability, which simplifies coordination between the markets that we operate in.

During the year, Tele2 introduced a new role of 'Head of Sustainability' reporting to the Executive Vice President Communications & Sustainability. The Head of Sustainability is responsible for ensuring that the sustainability strategy is up to date, helping the responsible business units with implementing it, communicating with internal and external stakeholders, and all types of sustainability reporting.

ESG Target	Achieved
Child protection	
<ul style="list-style-type: none"> Continue to develop tools for parents to prevent online sexual abuse of their children and raise awareness 	Partial
<ul style="list-style-type: none"> Have one outreach activity per year by each local operation, addressing their most pressing issue in the context of protecting children in a connected world 	Partial
<ul style="list-style-type: none"> Introduce Trygg Surf at Com Hem mobile 	No
Diversity & inclusion	
<ul style="list-style-type: none"> Increase the gender balance in the Swedish operations 	Full
<ul style="list-style-type: none"> Increase the gender balance in executive management and division leadership teams 	Full
<ul style="list-style-type: none"> Introduce a principle to recruit 60% women to Tele2 to achieve gender equality by 2023, i.e. so called 2+1 policy 	Full
<ul style="list-style-type: none"> Assess gender pay gap 	Full
<ul style="list-style-type: none"> Review and update recruitment advertisements to ensure attractiveness to women candidates 	Full
<ul style="list-style-type: none"> Review and update assessments used in recruitment process to ensure no negative gender bias against women candidates 	Full
<ul style="list-style-type: none"> Conduct projects with NGOs that promote diversity in the IT & telecom industry 	Full
<ul style="list-style-type: none"> Develop training for managers on value of diversity, unconscious bias and how to build and encourage an inclusive culture 	No
<ul style="list-style-type: none"> Employees score the company high in feeling included through the MyVoice survey compared to benchmark 	No
Environment	
<ul style="list-style-type: none"> Review and publish approved environmental policy including setting energy procurement targets and updated company car policy 	Full
<ul style="list-style-type: none"> Disclose carbon information to CDP 	Full
<ul style="list-style-type: none"> Investigate the possibility to go carbon neutral (Scope 1 and 2) in all markets by 2020 	Full
<ul style="list-style-type: none"> Commit to setting science-based targets for greenhouse gas emissions' reduction 	Full
<ul style="list-style-type: none"> Establish a roadmap to increase energy efficiency 	Partial
<ul style="list-style-type: none"> Assume leadership for and actively participate in the AI4Green project, in order to increase energy efficiency 	Full
<ul style="list-style-type: none"> Showcase at least two IoT solutions on Tele2.com that have a positive impact on the environment 	Full
Ethics & compliance	
<ul style="list-style-type: none"> Ensure 100% of employees covered in Code of Conduct re-signing by the end of 2019¹⁾ 	Partial
<ul style="list-style-type: none"> Create a fair-competition policy 	Full
<ul style="list-style-type: none"> Create a dedicated anti-corruption policy 	Full
<ul style="list-style-type: none"> Update the whistleblowing policy 	Full
<ul style="list-style-type: none"> Complete and publish an exit report for Kazakhstan 	Full
<ul style="list-style-type: none"> Create guidance document for policies, standards, procedures and guideline including review process and communication 	Full
<ul style="list-style-type: none"> Conduct a risk analysis on suppliers from a sustainability perspective, audit high risk suppliers through EcoVadis or equivalent, and conduct on-site audit 	Partial
Privacy & integrity	
<ul style="list-style-type: none"> GDPR compliance: Online privacy training to all employees 	Partial
<ul style="list-style-type: none"> Publish on Tele2.com how we deal with retaining and processing customer data 	Full
<ul style="list-style-type: none"> Update internal and external communication on data retention position 	Full
<ul style="list-style-type: none"> Perform stress tests for cyber attacks 	Full
<ul style="list-style-type: none"> Reduce the number of breaches under data protection legislations 	No

¹⁾ Anything less than 100% of active workforce is considered partial

Integration of Com Hem and Tele2 Sweden

A key activity during the year has been to integrate the way that Com Hem and Tele2 Sweden works with sustainability. This year of consolidation has been focused on taking the best from both companies, and finding smart ways of working going forward.

Benchmark for success

One way of measuring our progress is to follow up on the targets that we have set, but we also find it very valuable to get an external view on our performance. This purpose is best served by the reports that are made by ESG analysts for external ratings. We have carefully selected the ratings that we participate in, and we participate in them to ensure that the outside world get an accurate view on the progress that we strive to make. In 2019 we participated in the following ratings:

- MSCI ESG Rating
- Sustainalytics ESG Rating
- FTSE Russell ESG Rating
- RobecoSAM Corporate Sustainability Assessment & Rating
- Equileap Gender Equality Global Report & Ranking
- CDP Climate Change Rating

During this year of consolidation, we are pleased that we have managed to maintain our performance in most of the ratings. In particular we are proud of our MSCI ESG rating (AAA) and Equileap ranking (35th global). For the first time we decided to participate in RobecoSAM Corporate Sustainability

Assessment, and received a score below the industry average, which spurs us to make further improvements to our sustainability efforts in 2020. We also decided to start participating in the CDP climate change rating again, and received a C rating, which is denoted as being in the Awareness band. The C rating with CDP is in line with our industry average, the European average and the global average. We see this as a starting point for CDP, and aim to progress from here.

Every year we evaluate which ratings we should participate in, based on our sustainability materiality analysis, which is one of the reasons that we decided to participate in CDP. If there are any changes to this during next year, we will consider participating in additional ratings.

Divesting Kazakhstan and Croatia

In December 2018 we gave notice to exercise our put option in Kazakhstan. The transaction was completed on June 28, 2019. In this report we will report information from Kazakhstan for the first six months of 2019, up to and including June.

On May 31, 2019 we announced that we had signed an agreement to sell Tele2 Croatia, pending regulatory approval. This announcement does not impact what we report on in the 2019 sustainability report.

These divestments mean that Tele2's footprint is centered around Sweden and the three Baltic countries. This change also means that Sweden's relative importance in the group has increased, including from a sustainability perspective. This will likely impact our future sustainability efforts.

Activities per focus area

Ethics & Compliance

Our Code of Conduct is our main tool for ensuring employee compliance with the sustainability expectations that we put on our employees. Each new employee signs the Code of Conduct in connection with their employment. Every year employees are required to undergo a training in three steps to ensure that commitment to the code remains high. This training includes video training material, reading the code, and re-signing the code. During the year we have been made aware of issues with our learning management system, which had an impact on the re-signing process. We have started taking measures to ensure that this is resolved, and plan for a new training and re-signing process. Despite these issues we still have full employee commitment to the code through the signing that takes place when they first started working at Tele2.

During the year we have implemented a new anti-corruption policy. This policy is a complement to the Code of Conduct, and provides more detailed direction on ethical business conduct with the highest standard, particularly to address the topics of bribery and conflict of interest. The policy defines clear rules to prevent corruption and take action if corruption occurs at Tele2. The policy is written in order to align with the values and way of working at Tele2, and makes it possible for employees to assume responsibility and gives them freedom to act responsibly in their daily work.

At Tele2, we want to promote a culture where employees know how to act when they see or experience wrongdoing. For this reason we have updated our whistleblowing policy during the year. The scope of the policy describes what whistleblowing is and the kinds of misconduct that is covered by the policy. The policy also describes the protection for whistleblowers that it

provides, as well as the procedure for whistleblowing and how a case is handled. In an annex to the policy we describe what is considered retaliation against a whistleblower to underline the actions that are not permitted to be taken against a whistleblower.

Both of these policies have the authority of the Board of Directors and executive management team. The policies are supplemented by a Q&A to provide employees with further hands-on guidance.

Tele2 has throughout its history fought for fair competition in the telecom industry, for the privatization of state monopolies and the liberalization of markets. To underline our view on this topic we have during the year created a fair competition policy. Our commitment to fair competition is laid out in our Code of Conduct, and this dedicated policy further clarifies our commitment.

All policies are available in [the sustainability section of Tele2.com](#).

During the year we have strengthened our efforts in working with supply chain risk management. We require all of our business partners over SEK 1 million to sign our Business Partner Code of Conduct. In addition to this, we use EcoVadis Business Sustainability Ratings to monitor suppliers. In 2019 we included 27% of our spend in EcoVadis, giving us a good picture of the risk exposure in our supply chain to environmental, social, governance and supply chain issues.

As we completed our divestment of Tele2 Kazakhstan in 2019, a special "Exit report" for Kazakhstan was published during the year. This contains information on the measures that we had taken to promote ethics and compliance in our operations in Kazakhstan, including, but not limited to, policies,

training, building a compliance culture, internal control and information on investigations and sanctions. The full report is available in [the sustainability section of Tele2.com](#)

Privacy & Data Protection

At Tele2, we are firmly committed to safeguarding our customers' and employees' privacy and integrity. The new Swedish data retention law entered into effect in October 2019. The Swedish government has made changes to the old law to make it compatible with the European Court of Justice ruling on data retention, known as the Tele2 judgment. Important changes include that storage times have been limited, the scope of the legislation is reduced, data must be stored in the European Union, and a prosecutor has to approve any access to data.

We cooperate with authorities that want to have special access to our systems and information in order to fight crime and terrorism. However, we require that this is done on a legal basis, and in a way that is justified and proportionate. When governments propose disproportionate laws, or authorities make information request that are at odds with fundamental human rights, we will continue to take a stand to defend our interest, and those of our customers.

For more information see [the sustainability section of Tele2.com](#)

As our goal is to be trusted by customers to handle their data, we strive to decrease the number of breaches under data protection legislations from year to year. During the year, we have seen an increase from 11 cases in 2018, to 16 cases in 2019, for the markets that are included in this report. In our Swedish operations, we have seen an increase from 3 cases in 2018, to 11 cases in 2019. The exact cause of this is hard to determine, but possible explanations include:

- A general increase in public awareness regarding protection of personal data in connection with the implementation of GDPR
- Tele2 GDPR awareness training for all employees (started in 2018)
- A dedicated Data Privacy Officer who is running GDPR related topics within Tele2

We believe that high transparency and awareness is positive, and welcome all opportunities to improve our processes. We appreciate the increased awareness among customers and employees, as a possible explanation for the increased cases in Sweden.

GDPR compliance has been an important topic during 2019, and all new employees have been given a dedicated GDPR online training. Through five separate online modules, our employees are able to learn about the key aspects of privacy and the processing of personal data. Furthermore, we also intended to ask all current employees who received the training in 2018, to re-take the training during the year, but due to updates to the training material this will not start until early 2020.

Child Protection

For our efforts in child protection, 2019 has been a year of consolidation, to integrate the efforts of Tele2 and Com Hem, and to find a new path going forward as one integrated company.

We have continued our close co-operation with ECPAT, the Swedish national hotline for prevention of distribution of Child Sexual Abuse Material (CSAM), and its telecom coalition. As of 2019, the coalition includes representatives from the special task force working against distribution of CSAM of the Swedish police. In the coalition, discussions are ongoing on how the participating telecom operators can further contribute to the prevention of the distribution of CSAM. In addition to this, we encourage everyone who comes into contact with CSAM online to contact ECPAT's anonymous hotline.

During the year, we have continued to block attempts to access web pages that have been classified as containing CSAM, in all countries where we operate. On average we block over 500 000 attempts to access CSAM every month, across our footprint. We also continue to use detection software on all employee hardware, to detect if they have been used to view CSAM.

To help parents keep their children from accessing inappropriate material online, we provide a parental control software for our fixed connections in Sweden called Trygg Surf ("Safe surf"). This enables parents to block access to certain content, such as pornography, weapons, violence and drugs.

We continue our long-standing partnership with the non-profit organization Reach for Change, which we co-founded in 2010. Together with them we work to help social entrepreneurs grow and develop. What unites these social entrepreneurs is that they all have solutions to societal issues that affect children. We contribute to the partnership with a financial investment of SEK 2 million per year, practical support and by being a thought-partner. For more information see "Contributing to a better world for children" in the box below.

During the year we have continued our support to BRIS and Aktiv Skola ("Active School") in Sweden. Both organizations are aimed at improving



Contributing to a better world for children

We are a proud founding partner of Reach for Change, that runs development programs for social entrepreneurs. Together we help scale innovations, creating a better world for children. The partnership entails financial investment, hands-on support and being a thought-partner. During 2019 we have helped support 120 social entrepreneurs who impacted over 500,000 children and youths in 11 countries.

For more information visit the [partnership section of Tele2.com](#)

The 2019 Equileap Gender Equality Report & Ranking

Equileap annually publishes a report on global gender equality, including a ranking of the top 100 companies. In 2019 Tele2 was ranked as the 35th best company globally when it comes to gender equality, out of more than 3,500 companies. The ranking uses 19 criteria, including gender balance, pay gap, parental leave and sexual harassment.

For more information visit tele2.com/sustainability



the situation for children and youths in society. Our contribution to BRIS is a substantial contribution, amounting to over SEK 1,5 million in 2019, that among other things enables free and anonymous incoming calls to the BRIS counsellor hotline.

Diversity & Inclusion

We are proud of having a strong, diverse and inclusive culture. We strive to have a workforce that broadly reflects our customers in all diversity parameters, including age, gender, disability, nationality, ethnicity, religion, language, marital or civil partnership status, political beliefs and sexual orientation. To maintain our high standard of diversity we rely on our Code of Conduct and our diversity policy.

In 2019 we took an important step towards addressing the gender imbalance which is present in our industry. We have set an ambitious target to be a gender-balanced company by 2023, on three levels; executive management, managers and all employees.

To reach this goal we have to ensure that we both attract and retain female talent. We have during the year launched a 16-point plan for our Swedish operations to achieve this, which includes:

- An external recruitment principle that states that; 1) we hire the best, and 2) we should hire 2 women for every 1 man we hire into teams that are not gender-balanced.
- Reviewing our job advertisements to ensure that they are as attractive to women as men.
- Reviewing our assessment process to ensure that they are free from gender bias against women.

During the year, we have seen this recruitment principle and other activities take effect. We have increased the gender balance in our Swedish operations, which has the highest gender imbalance of our local operations, as well as in our executive management team and our division leadership teams. Following these results, we will move the focus from recruitment to retention and inclusion during the coming year.

We are proud to have received external recognition for our efforts in the gender-diversity area by Equileap. In their 2019 ranking we were placed 35th globally, and we were placed 2nd of all Swedish companies.

As this is a structural issue, it is not sufficient to only work with our current workforce, we must also think of the workforce of the future. To support the long-term inclusion of more women in our industry we have supported

several NGOs that work to get more girls and women interested in a career in tech. Our co-operation with Datatjej ("Data girl") is one such example, where their members can meet with our employees and learn about working in IT in a technology company. Another example is Tjejer Kodar ("Coding Girls"), which inspires young women to try programming, and we arrange several events in cooperation with them.

Due to the gender imbalance in our industry, we have focused a significant part of our attention to address this issue. However, gender is not the only diversity aspect that we include in our diversity efforts, and we plan to increase our focus on other diversity aspects during the coming years.

In addition to working to increase the gender diversity in the company we measure our employees' sense of feeling included, through our employee survey MyVoice. We had set a goal that this should increase to a top performer score according to a benchmark by the end of the year. Unfortunately we saw a decrease in how our employees scored their feeling of inclusiveness from 82 in 2018 to 75 in 2019. This decrease makes it clear that this area will require further attention during 2020 to meet our goal of building an inclusive culture at Tele2.

Environment

With a bold goal of being the greenest operator and enabling an environmentally sustainable society, our ambitions are high for how we work with decreasing our own negative environmental impact and enabling our customers to do the same to theirs.

Since we have divested markets, the total energy consumption for the Tele2 Group has decrease by 24% compared to the previous year. Our main source of energy consumption is electricity, and for that we have seen a year-on-year decrease by 24%. When comparing the data from the markets we are reporting for in 2019 (excl. the Netherlands and Q3 & Q4 for Kazakhstan) we see that our total energy consumption increased by 7.3% compared to the previous year and that our electricity consumption increased by 8,8% compared to 2018. For more details, please see GRI 302-1 on p. 23.

Following our divestment of markets, the scope 1 emissions of CO₂-eq. for the Tele2 Group have decreased by 30% and the scope 2 emissions of CO₂-eq. for the Tele2 Group have decreased by 36% compared to 2018. When comparing the data from the markets we are reporting for in 2019 (excl. the Netherlands and Q3 & Q4 for Kazakhstan) we see that our scope 1 emissions of CO₂-eq. have increased by 1.5% and that our scope 2 emissions

of CO₂-eq. have increased by 7.6%. When comparing the figures for our continuing operations (excl. the Netherlands and Kazakhstan) our total scope 1 and 2 emissions of CO₂-eq. have increased by 2.4%. For more details, please see GRI 305-1 and 305-2 on p. 24.

As we have divested markets during 2019 this has naturally led to a decrease of the Tele2 Group's emissions of CO₂-eq. and our total scope 1 & 2 emissions have decreased by over 50 000 tons of CO₂-eq. At the same time we are not pleased with the increase of scope 1 & 2 emissions of CO₂-eq. in our continuing operations with 2.4%, and a further increase in 2020 is out of the question. We vow to redouble our efforts to decrease our emissions of CO₂-eq in 2020.

Tackling climate change is a key business issue that companies must address. As we now celebrate two years as carbon neutral in scope 1 and 2 for Tele2 Sweden's operations, we have during the year investigated the possibility to go carbon neutral in all markets where we are present during 2020.

We are determined to do our part in ensuring that businesses contribute to tackling the challenges that climate change poses and meeting the targets set in the Paris agreement. To ensure that our own targets are ambitious enough we have committed to setting science-based targets with the Science Based Targets initiative. At the time of commitment, this puts us in good company with the 750 most climate-ambitious companies globally, and makes us one of only 30 Swedish companies that have made this commitment.

During the year we have decided to start disclosing our carbon emission with CDP, for the first time in a few years. Our CDP score for 2019 was C, in line with the industry, European and global average.

An important part of being the greenest operator is contributing to research on how our industry can decrease its negative environmental impact. By doing this, we are not only taking action in the present, but also

enabling future improvements. During 2019 we have assumed the leading role in an EU-sponsored research project called AI4Green. The project aims to find ways in which artificial intelligence can be used to increase the energy efficiency of our mobile network. As the only Swedish participant in a project which has 17 participants from 5 different countries, we look forward to how the outcome of this project can enforce our position as the greenest operator.

Our customers need some type of hardware to use our services, and we therefore have a responsibility to take care of their hardware when it becomes e-waste. We believe that e-waste should primarily be re-conditioned and re-used. If this is not possible it should be recycled in a responsible way. Tele2's customers can return their phones in our stores to get either a discount voucher, or donate the phones' value to Reach for Change. Tele2 has a cooperation with several reputable partners for our re-use and recycle programs.

During the year Tele2 has updated its environmental policy. The aim is to work in a smarter way to improve our environmental footprint. The policy clarifies our objectives, our role, and way of working to reach the goal of being the greenest operator. The updated policy has also added five new focus areas. These are greenhouse gas emissions, resource efficiency, waste, responsible minerals, and electromagnetic fields.

The enabling factor of our services for our customers to decrease their negative environmental impact, is a great opportunity. Nowhere more so than in using our services to enable the Internet of Things (IoT). During the year we have published several cases on our website on how IoT application can be good for the environment. For more information, please see [the IoT section of Tele2.com](#)

With a promise to lead in sustainability and a goal of being the greenest operator, this is a focus area that is sure to see more development during the coming years.

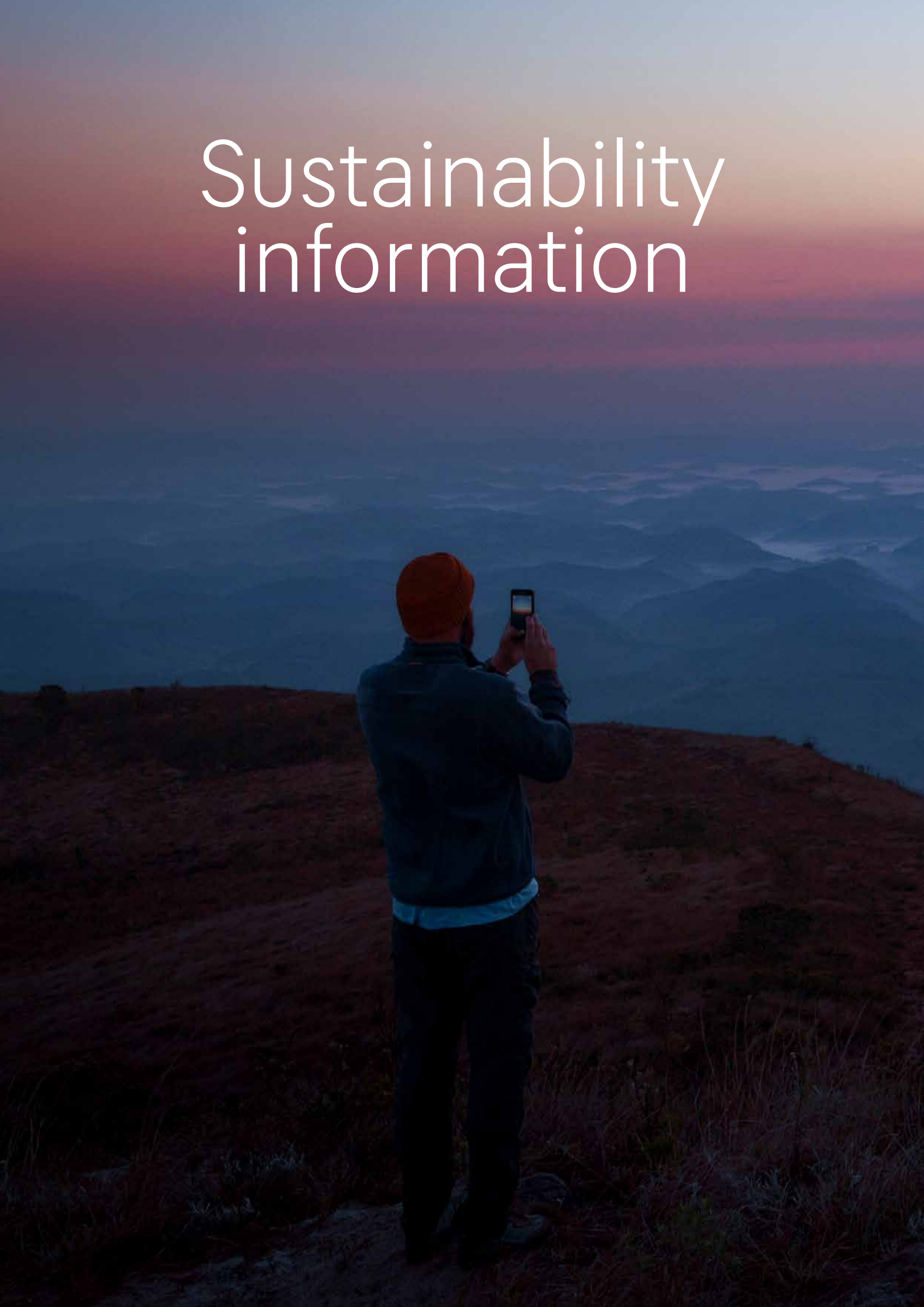
“During 2019 we have assumed the leading role in an EU-sponsored research project called AI4Green. The project aims to find ways in which artificial intelligence can be used to increase the energy efficiency of our mobile network.”

Celebrating 2 years as carbon neutral in Sweden

Since January 1, 2018, 100% of the electricity that Tele2 Sweden buys comes from renewable sources. By switching to 100% renewable electricity we decreased our emissions of greenhouse gases by over 80%. Our remaining emissions are offset by supporting two renewable energy projects in India, that are vetted by the UNFCCC and certified Gold Standard. That's why we now celebrate 2 years as carbon neutral in Sweden.



Sustainability information



Sustainability information provided by Tele2

Introduction

In line with its obligation following from the Swedish Annual Accounts Act, Tele2 presents the non-financial information contained in this section of this sustainability report.

Tele2 uses the most recent framework developed by the Global Reporting Initiative (GRI): GRI Standards 2016. On the basis of the framework, Tele2 identifies and discloses its significant impacts on the economy, the environment, and society.

The GRI Standards are divided into four series. These series deal with general topics (100 series), economic topics (200 series), environmental topics (300 series) and social topics (400 series). Each series is subdivided in standards, which are used to report information on an organization's impacts related to economic, environmental, and social topics (e.g. indirect economic impacts, water, or employment). These standards contain disclosures (e.g. Disclosure 302-1: Energy consumption within the organization) that lay out the required information to report, and in some cases contain additional instructions for how to compile this information, reporting recommendations and guidance. For more information, please visit the GRI standards page on the GRI website, globalreporting.org.

Tele2's sustainability information is presented in two tables. The first table discloses the management approach to sustainability topics that are considered material. The second table is the so-called GRI Content Index, which either includes or refers to information on the relevant disclosures for Tele2.

External Assurance

For information on external assurance of information referred to from, or included in the GRI Content Index, please see Disclosure 102-56. An auditor statement regarding the sustainability report is included at the end of this report.

Organizational Changes

It was announced on December 11, 2018, that the Kazakh competition authority approved Kazakhtelecom's acquisition of Tele2's shares in the joint venture company (Tele2 Kazakhstan). On December 28, 2018, Tele2 announced that it would exercise its put option. The transaction was closed on June 28, 2019.

Furthermore, on May 31, 2019 Tele2 announced the agreement to sell its Croatian business to United Group, and on March 3, 2020 the divestment was completed.

Please see Disclosure 102-10 regarding the impact of these changes for reporting.



Disclosure of management approach

Disclosure	Material topic	Why is this topic material to Tele2	Topic material	
			within Tele2	outside Tele2
200 Series: Economic				
201-1	Economic Performance	Economic performance is identified as a material aspect because Tele2 is a profit driven corporation that needs to make a profit to remain viable. Tele2's profits in turn contribute to society through payment of wages, taxes and purchases of services and products. This in turn impacts economic activity, government and society and contributes to economic growth. In order to manage impacts related to economic performance, Tele2's internal audit monitors its payroll and the payment of taxes in countries of operation.	YES	YES
205-3 206-1	Anti-corruption and Anti-competitive behavior	<p>Integrity and ethics are integral parts of Tele2's values and code of conduct. Therefore efforts to promote fair and ethical business, such as anti-corruption and preventing anti-competitive behavior, are part of its daily operations. Compliance to local laws and regulations ensures investors that Tele2 is a trustworthy business partner.</p> <p>Tele2 has established a common perspective on group level of how to deal with anti-competitive behavior and anti-corruption. Responsibility lies with the local heads of the legal departments to put it into practice. For example, anti-competitive behavior and anti-corruption are included in the education of new employees, existing managers and selected risk functions (for example procurement). Employees also retake the education annually. Responsibility for conducting relevant training is the duty of each country organization. Tele2 Kazakhstan employees take a specifically developed anti-corruption training.</p> <p>In order to manage impacts, compliance with local laws and regulations is a responsibility of the local legal team in each country. The legal teams make use of an open door policy for employees seeking advice on ethical and lawful behavior, and processes are in place to escalate incidents to the highest governance body when necessary.</p>	YES	YES
300 Series: Environmental				
302-1 305-1 305-2 307-1	Energy, Emissions and Environmental Compliance	<p>Energy, emissions and environmental compliance are identified as material aspects in light of climate change being a global challenge which the information and communication technology industry contributes to, but can also contribute to solving problems and promote mitigation. For Tele2, electricity consumption is key as this is the major source for Tele2's emissions of greenhouse gases.</p> <p>To mitigate these impacts, Tele2 is gradually transitioning to renewable energy when feasible. Tele2's local teams follow up and ensure compliance with relevant environmental laws and regulations in its countries of operation in order to perform in line with internal and external stakeholders' expectations.</p>	YES	YES
400 Series: Social				
401-1 405-1 406-1	Employment, Diversity and Equal Opportunity, Non-Discrimination	<p>With the ambition to deliver the best service in the industry, Tele2 invests in the well-being and development of its employees. Its ambition is for all employees to have performance plans and annual performance dialogues, including senior executives.</p> <p>In order to manage impacts, Tele2 has also introduced development plans for all employees. In addition, an employee survey is conducted yearly to follow-up on employees' satisfaction and well-being. Results are gauged against others to understand changes and trends. Critical points of improvement are communicated to local managers who turn them into local action plans.</p> <p>It is crucial for Tele2 to attract and retain talented and diverse employees to be able to deliver on its strategy as well as maintaining its culture. Diversity is an integral aspect of Tele2's operations and is captured in a diversity policy. In order to manage impacts, a gender KPI is followed up on all functional levels to inform promotion and recruitment decisions.</p>	YES	NO
403-2	Occupational Health and Safety	<p>Tele2 strives to provide its employees with a safe and healthy work environment in which they can develop their long term ambitions. In order to manage impacts Tele2 has policies and processes in place to ensure access to health care and for the prevention of accidents.</p> <p>Furthermore, in Sweden, employees have an insurance program that covers rehabilitation and preventive care from specialists. There are also policies in place to support employees in treating and preventing injuries. Tele2 applies self-assessment checklists for both managers and employees to ensure that employees are satisfied with their work environment as well as meeting legal requirements. These checklists are updated on a regular basis.</p> <p>Tele2 follows up on employee absence and offers rehabilitation plans for employees who have been ill long-term with support of external experts. Tele2's approach to health and safety is adapted to the local legislation in each of its countries of operation.</p>	YES	NO

Disclosure	Material topic	Why is this topic material to Tele2	Topic material	
			within Tele2	outside Tele2
407-1 408-1 409-1	Freedom of association and collective bargaining, Child labor, and Forced or compulsory labor	<p>Tele2 aims to conduct its business with the highest degree of ethics while also being compliant to local laws and regulations and respecting human rights. Tele2's markets are all different in this aspect, with Kazakhstan being the most challenging.</p> <p>To mitigate risks and manage impacts, Tele2 uses a Code of Conduct (CoC) and a Business Partner Code of Conduct (BPCoC) based on the United Nations Global Compact. It encompasses labor rights, anti-corruption, environment, freedom of association and collective bargaining, child labor and forced labor and other basic human rights. Tele2 employees sign the CoC annually.</p> <p>Tele2 requires its significant business partners, with contract values exceeding SEK 1 million per year, to sign the Tele2 BPCoC. By doing so Tele2 includes clauses about human rights, labor rights, anti-corruption and environment etc. into a vast majority of its agreements with its business partners. In addition, a share of the business partners which are managed within the sourcing and procurement processes, described above, have also been screened and monitored with the EcoVadis Business Sustainability Ratings.</p> <p>In case of breaches of the Business Partner Code of Conduct, Tele2 primarily conducts dialogues with business partners to establish remediation plans. If this does not produce the desired changes, Tele2 can terminate the relationship with the specific business partner.</p>	YES	YES
416-2	Customer health and safety	<p>Tele2 strives to provide its customers with safe services that do not have a negative impact on their health, and works proactively to identify and monitor potential health and safety issues related to its products and services. Tele2's networks emit electromagnetic fields. No adverse health risks have been identified in relation to the exposure to such field from base stations for mobile telephony, wireless networking or similar transmitters.</p> <p>In order to manage impacts, Tele2's networks are designed to operate well within the applicable regulations and guidelines of the countries of operation. Tele2 measures the radio wave signals emitted in the networks at the request of property owners.</p>	NO	YES
417-3	Marketing and labelling	<p>Marketing communications is a core aspect of Tele2's interaction with its customer base and therefore identified as a material aspect. Responsibility for marketing and sales lies with local teams as legislation differs between countries. In Sweden, there is an education for new employees on guidelines for communication and marketing.</p> <p>In order to manage impacts, the legal team reviews marketing material before it is published to assure compliance, and if incidents occur, they are reported to the responsible management. Ethical communication is also included in the Code of Conduct, which all employees are trained in every year, and as such included in Tele2's policies.</p>	YES	YES
418-1	Customer privacy	<p>Tele2 has customer and employee privacy and data protection as a high priority. Due to the nature of the services Tele2 provides, it processes personal data. In order to manage impacts, Tele2 has organizational and technical measures, policies and guidelines, and a governance structure, which all serve to protect its customers' data. These have been updated to meet the requirements of the GDPR in the EU.</p> <p>Tele2 continuously monitors the development of laws and regulations and updates its processes and controls accordingly. Tele2 has a Group Data Privacy Officer, and in all of its markets Tele2 has a dedicated Data Privacy Officer who works on privacy and data protection. A privacy impact assessment has been integrated in its project model. The Group Data Privacy Officer is also the Data Privacy Officer for Sweden.</p> <p>Data privacy processes are similar in all European operations. In Kazakhstan these processes have been adapted to local conditions and regulations. All Tele2 employees are required to take a data privacy awareness training.</p>	YES	YES
419-1	Socio-economic compliance	<p>Integrity and ethics are integral parts of Tele2's values and Code of Conduct. Tele2 aims to deliver high quality in its products and services and legal compliance is of course an important part of this. Therefore compliance is a key aspect of its operations on a daily basis. Following local laws and regulations ensures investors that Tele2 is a trustworthy business partner.</p> <p>In order to manage impacts, Tele2 has established a common perspective on group level on how to deal with socio-economic compliance. Responsibility lies with the local heads of legal departments to ensure compliance in practice in each market. The legal head on group level is also the legal head of Sweden.</p> <p>The legal teams make use of an open door policy for employees seeking advice on ethical and lawful behavior. Processes are in place to report or escalate incidents to the relevant group functions. As an example, both anti-competitive behavior and anti-corruption are included in the education of new employees, existing managers and selected risk functions (e.g. procurement). Incidents in this area are reported to the central security function and escalated to the highest governing bodies if warranted.</p> <p>Employees also retake the education annually. Responsibility for conducting relevant training is the duty of each country organization.</p>	YES	YES

GRI content index

GRI Standards Disclosure			External Assurance
General Disclosures (GRI Standard 102: General Disclosures 2016)			
102-1	Name of the organization	See Tele2 Annual Report 2019, p. 9.	YES
102-2	Activities, brands, products, and services	See Tele2 Annual Report 2019, p. 12.	
102-3	Location of headquarters	See Tele2 Annual Report 2019, p. 84.	YES
102-4	Location of operations	See Tele2 Annual Report 2019, p. 84.	YES
102-5	Ownership and legal form	See Tele2 Annual Report 2019, p. 9.	YES
102-6	Markets served	See Tele2 Annual Report 2019, p. 12.	YES
102-7	Scale of the organization	See Tele2 Annual Report 2019, p. 9–10.	YES
102-8	Information on employees and other workers	See Tele2 Annual Report 2019, p. 25–27.	YES
102-9	Supply chain	<p>Most suppliers, considering spend, are producers of input material or products such as handsets, base stations, sim cards, construction companies for telecom mast constructions, network & IT system solutions platforms as well as service providers within areas such as customer operations and media. Additionally, suppliers or business partners (as Tele2 calls them) may be consultants, financial auditors, M&A firms, legal advisors, etc. Other telecommunications providers are suppliers of wholesale interconnection and roaming services which are necessary to deliver our services on or to other networks.</p> <p>Suppliers are either contracted through the central procurement function, country procurement or directly by various business ownership parties at central or country level. The central procurement function also serves the Swedish operations.</p>	
102-10	Significant changes to the organization and its supply chain	<p>Following the transaction between Tele2 and Kazakhtelecom, Kazakhstan is included in this sustainability report for the first six months of 2019, up to and including June.</p> <p>The announcement of selling the Croatian business to United Group has not caused any significant changes in the sustainability reporting for 2019.</p> <p>Tele2's supply chain consists of several thousands of suppliers. Naturally there may be changes from year to year as contracts expire, and new potential suppliers are signed on. However, these changes have not been significant during the year.</p>	
102-11	Precautionary Principle or Approach	Tele2 works proactively to identify and monitor its most significant risks through an enterprise risk management process. The purpose of this process is to minimize surprises and improve the decision making in order for Tele2 to achieve its strategic, financial, compliance and operational objectives. Among other topics, Tele2 continuously follows research developments on electro-magnet fields caused by telecommunication networks.	
102-12	External initiatives	Tele2 adheres to applicable parts of the following: the United Nations Universal Declaration of Human Rights, the International Labor Organization's core conventions, the OECD Guideline for multinational enterprises, the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights and the Children's Rights Business Principles.	
102-13	Membership of associations	<p>Tele2 is currently actively engaged in the GSM Association, European Competitive Telecommunications Association, as a regular member in the Global e-Sustainability Initiative (GeSI), and the Sida Swedish Leadership for Sustainable Development (SLSD) initiative.</p> <p>Being one of the founding partners in 2010, Tele2 is a standing member of the board of Reach for Change. Besides a yearly SEK 2 million cash contribution, Tele2 allows its employees to engage in various initiatives within the organization during work hours and the executive trainees have the opportunity to participate in Reach for Change initiatives and projects outside Sweden for one month. Additionally, Tele2 is a supporter to the entrepreneurs in the incubator and contribute with skills and training, such as HR.</p>	
102-14	Statement from senior decision-maker	See Tele2 Annual Report 2019, p. 4–5 and Sustainability Report p. 4.	
102-16	Values, principles, standards, and norms of behavior	See the Tele2 Code of Conduct and the Tele2 Business Partner Code of Conduct on the Tele2.com website under the 'Sustainability' section.	
102-17	Mechanisms for advice and concerns about ethics	<p>For internal stakeholders Tele2's legal department has an open door policy which is being used actively by employees seeking advice on ethical and lawful behavior.</p> <p>Tele2 has a whistleblowing process in place. It is also available to its business partners that have signed the Business Partner Code of Conduct. Even external parties could use it as the instructions are publicly available on www.tele2.com.</p>	
102-18	Governance structure	<p>Information on the process for delegating authority from the highest governance body can be found in the Tele2 Corporate Governance section of the Annual Report 2019, p 30–35.</p> <p>Further information on delegation for economic, environmental, and social topics can be found on the Tele2.com website, under the relevant subsections of the 'Sustainability' section.</p>	

GRI Standards Disclosure			External Assurance
102-19	Delegating authority	Information on the process for delegating authority from the highest governance body can be found in the Tele2 Corporate Governance section of the Annual Report 2019, p 30–35. Further information on delegation for economic, environmental, and social topics can be found on the Tele2.com website , under the relevant subsections of the 'Sustainability' section.	
102-20	Executive-level responsibility for economic, environmental, and social topics	Information on the executive-level responsibility for economic, environmental, and social topics can be found in the Tele2 Corporate Governance section of the Annual Report 2019, p. 30–35. Further information on executive-level responsibility for economic, environmental, and social topics can be found on the Tele2.com website , under the relevant subsections of the 'Sustainability' section and Sustainability Report, p. 6.	
102-22	Composition of the highest governance body and its committees	Information about the composition of the highest governance body and its committees can be found in the Tele2 Corporate Governance section of the Annual Report 2019, p. 30–35.	
102-23	Chair of the highest governance body	Information about the chair of the highest governance body can be found in the Tele2 Corporate Governance section of the Annual Report 2019, p. 30–35.	
102-24	Nominating and selecting the highest governance body	Information about nominating and selecting the highest governance body can be found in the Tele2 Corporate Governance section of the Annual Report 2019, p. 30–35. Further information on nominating and selecting the highest governance body can be found in the Tele2.com website , under the relevant subsection regarding the Nomination Committee. In the 'Documents to the 2019 AGM', the following was stated: "In its work, the Nomination Committee applies rule 4.1 of the Swedish Corporate Governance Code as its diversity policy. Accordingly, the Committee gives particular consideration to the importance of a diverse set of Board members, including their gender, age and nationality, as well as their experiences, professional backgrounds and business disciplines. The Committee believes the composition of the proposed Board is fit-for-purpose in respect of the various dimensions of diversity, and will continue to pursue a high degree of diversity and gender balance in its efforts to compose the most capable Board."	
102-25	Conflicts of interest	Information on conflict of interest of the highest governing body can be found in the Tele2 Corporate Governance section of the Annual Report 2019, p.30–35, and in the Tele2 Code of Conduct.	
102-26	Role of highest governance body in setting purpose, values, and strategy	Information on the role of the highest governance body in setting purpose, values, and strategy can be found in the Tele2 Corporate Governance section of the Annual Report 2019, p. 30–35.	
102-27	Collective knowledge of highest governance body	The Board of Directors is the highest governing body responsible for Tele2's sustainability performance. Sustainability matters are regularly put on the agenda of Audit Committee meetings and will also be reviewed at board meetings.	
102-29	Identifying and managing economic, environmental, and social impacts	Sustainability risk management is part of the sustainability requirements of our largest shareholder Kinnevik. Therefore, discussions and reviews of key aspects are conducted with Kinnevik annually. Sustainability risks and opportunities are regularly discussed at board meetings.	
102-30	Effectiveness of risk management processes	Information about the effectiveness of risk management processes can be found in the Tele2 Corporate Governance section of the Annual Report 2019, p. 30–35.	
102-31	Review of economic, environmental, and social topics	The Board reviews economic, environmental, and social topics during board meetings. Furthermore, these topics are regularly put on the agenda of Audit Committee meetings. More information on the frequency of Audit Committee meetings in 2019 can be found in the Tele2 Corporate Governance section of the Annual Report 2019, p. 30–35.	
102-32	Highest governance body's role in sustainability reporting	Tele2's material aspects regarding sustainability are reported in this Sustainability Report, which is externally examined, and approved by the Board.	
102-33	Communicating critical concerns	Critical concerns can be communicated through the Audit Committee meetings. Reporting to the executive leadership team can occur throughout the year, either ad hoc if necessary, or through scheduled leadership team meetings.	
102-36	Process for determining remuneration	Information about the process for determining remuneration can be found in the Tele2 Corporate Governance section of the Annual Report 2019, p. 30–35.	
102-37	Stakeholders' involvement in remuneration	Shareholders approve the remuneration guidelines for senior executives through the AGM.	

GRI Standards Disclosure

102-40 List of stakeholder groups Tele2 is open to engage with all relevant stakeholders. Stakeholder dialogues are conducted regularly in various formats during the year, ranging from one-to-ones to larger gatherings.



102-41 Collective bargaining agreements All employees in Sweden are covered by collective bargaining agreements. For other countries this may vary, though Tele2 has a positive view on collective bargaining agreements. This is reflected in the Code of Conduct and the Business Partner Code of Conduct, which states: "The rights of employees to freely associate and to bargain collectively, in accordance with the laws of the countries in which they are employed, shall be recognized and respected."
In total 64,7 percent of all FTEs are covered by collective bargaining agreements, excluding discontinued operations.

102-42 Identifying and selecting stakeholders Tele2 is open to any constructive dialogue, i.e. Tele2 does not exclude anyone from having a discussion on relevant topics. Tele2's stakeholders can generally be described as parties and people affecting its business, as well as parties and people being affected by it.

102-43 Approach to stakeholder engagement Tele2 has ongoing dialogues with many of its different stakeholder groups. Among others, this can take place in the form of dialogues with investors, roadshows, interactions with customers and civil society and dialogues with industry organizations. The Annual General Meeting is a key point of contact for Tele2 with its shareholders. During the Annual General Meeting, Tele2 presents and discusses both financial and sustainability related results.
Stakeholder engagements are built into Tele2's business processes. This includes having sustainability related questions in the employee survey MyVoice, the yearly Code of Conduct update for all employees, customer surveys, dialogues with the largest shareholders on sustainability, being active with government relations and the EU, answering questionnaires from NGOs, meeting analysts, analyzing media reports, etc. Occasionally or when deemed necessary, Tele2 conducts specifically tailored engagements, for example as it did when developing the sustainability strategy and the materiality analysis.
The frequency of engagements varies from once a year (e.g. Code of Conduct employee update) to several times a year (e.g. investor dialogues and MyVoice). Tele2 has not had any particular separate engagement for the preparation of the report. A total of 84 percent of Tele2 employees participated in the 2019 MyVoice survey.
The results of NPS are based on global standards and cover customers in all of Tele2's countries of operation. NPS and other customer surveys are done continuously throughout the year. Tele2 strives for continuous improvement of the underlying evaluation process to provide the best service to its customers.

102-44 Key topics and concerns raised Tele2 uses the input received from stakeholders to co-determine its focus areas for sustainability. Tele2 develops strategies and policies to ensure that the company performs well within those areas.
Tele2 reports on its focus areas in the Sustainability Report.
Shareholders emphasize the importance of the ethics and compliance and environment focus areas. Engagement by Tele2 on child protection is encouraged by the largest shareholder Kinnevik. Customers are the major stakeholder for privacy and integrity and Tele2 employees are the primary beneficiary of diversity.
In the MyVoice survey, Tele2 employees on average agree with the statements: "I am treated with respect and dignity" (85 percent), "Our team has a climate in which diverse perspectives are valued." (79 percent) and "Regardless of background, everyone at Tele2 has an equal opportunity to succeed." (73 percent).

102-45 Entities included in the consolidated financial statements This report covers the Tele2 Group.
Legal entities are listed in the parent company's financial statements in Note 23 in the Tele2 Annual Report 2019, p. 84.

GRI Standards Disclosure		External Assurance
102-46	Defining report content and topic boundaries	<p>The telecommunication's industry has continued to focus on ethics, risks for corruption and human rights such as privacy and freedom of expression (including the UNGP) and Tele2's focus areas align with the industry.</p> <p>Tele2 has a Sustainability Report available as a PDF file, in which it reports information relevant to sustainability, including the legally mandated disclosure of sustainability information.</p> <p>Tele2's reporting boundaries have been defined through interactions with stakeholders, and during in-house discussions with for example the legal department, where the degree of ownership and areas of work for each entity were reviewed. The content of reported information mirrors the material sustainability areas as defined in the corporate strategy.</p> <p>Tele2 has continued its journey to integrate sustainability into core business processes, such as the corporate strategy and corporate vision. Sustainability reporting is integrated in the corporate strategy.</p> <p>Our focus areas are: Child Protection, Diversity & Inclusion, Environment, Ethics & Compliance, Privacy & Integrity.</p>
102-47	List of material topics	For Tele2's material topics, see the Disclosure of Management Approach table provided above.
102-48	Restatements of information	No significant restatements within the scope of sustainability.
102-49	Changes in reporting	There are no significant changes in material topics and topic boundaries made by Tele2.
102-50	Reporting period	January 1, 2019 up to and including December 31, 2019.
102-51	Date of most recent report	March 30, 2019
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	Erik Wottrich, Head of Sustainability, email: erik.wottrich@tele2.com, phone: +46704264384
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option
102-55	GRI content index	<p>This table is the GRI Context Index and contains all the information disclosed by Tele2 for each disclosure, or refers to the relevant information if published elsewhere.</p> <p>GRI Standard used are:</p> <ul style="list-style-type: none"> GRI 102: General Disclosures 2016 GRI 103: Management Approach 2016 GRI 201: Economic Performance 2016 GRI 205: Anti-Corruption 2016 GRI 206: Anti-Competitive Behavior 2016 GRI 302: Energy 2016 GRI 305: Emissions 2016 GRI 307: Environmental Compliance 2016 GRI 401: Employment 2016 GRI 403: Occupational Health and Safety 2016 GRI 405: Diversity and Equal Opportunity 2016 GRI 406: Non-discrimination 2016 GRI 407: Freedom of Association and Collective Bargaining 2016 GRI 408: Child Labor 2016 GRI 409: Forced and Compulsory Labor 2016 GRI 416: Customer Health and Safety 2016 GRI 417: Marketing and Labeling 2016 GRI 418: Customer Privacy 2016 GRI 419: Socioeconomic Compliance 2016

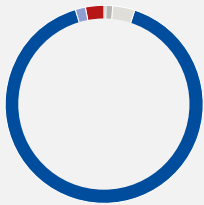
GRI Standards Disclosure		External Assurance
102-56	External assurance	<p>The sustainability report has not been subject to external assurance.</p> <p>The administrative report which is part of the Annual Report has been audited by Deloitte. The auditor's report is available in the Annual Report.</p> <p>The Corporate Governance Report has been examined by Deloitte in accordance with FAR's auditing standard RevU 16 The auditor's examination of the corporate governance report. This means that Deloitte's examination of the Corporate Governance Report is different and substantially less in scope than an audit conducted in accordance with international standards on auditing and generally accepted auditing standards in Sweden.</p> <p>The Sustainability Report has been examined by Deloitte in accordance with FAR's auditing standard RevR 12, "The auditor's opinion regarding the statutory sustainability report". This means that Deloitte's examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with international standards on auditing and generally accepted auditing standards in Sweden.</p> <p>Deloitte is independent to Tele2.</p>
Management Approach (GRI Standard 103: Management Approach 2016)		
103-1	Explanation of the material topic and its Boundary	Tele2 has provided the relevant information for each material topic in the Disclosure of Management Approach table above.
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
Economic Performance (GRI Standard 201: Economic Performance 2016)		
201-1	Direct economic value generated and distributed	<p>See Tele2 Annual Report 2019, p.10.</p> <p>Tele2 currently does not track data for taxes paid on a country-by-country level.</p>
		YES
Anti-Corruption (GRI Standard 205: Anti-Corruption 2016)		
205-3	Confirmed incidents of corruption and actions taken	See Tele2 Annual Report 2019, p. 28.
		YES
Anti-Competitive Behavior (GRI Standard 206: Anti-Competitive Behavior 2016)		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	See Tele2 Annual Report 2019, p. 28.
		YES

GRI Standards Disclosure

Energy (GRI Standard 302: Energy 2016)

302-1	Energy consumption within the organization	Fuel Consumption (GJ)	2019	2019 share of consumptions	2018	2018 share of consumptions
		Natural Gas	6,260	0,5%	2,086	0,1%
		Gas mix	–	0,0%	–	0,0%
		Petrol	13,110	1,0%	20,229	1,2%
		Diesel	45,291	3,6%	63,135	3,8%
		Ethanol	0	0%	10	0,0%
		Biogas	0	0%	104	0,0%
		Share of renewables in total fuel consumption	0,0%		0,1%	
		Electricity, heating, cooling and steam purchased for consumption (GJ)				
		Electricity	1,134,125	90,2%	1,492,438	90,5%
		District heating	21,107	1,7%	30,507	1,9%
		District cooling	37,706	3,0%	40,533	2,5%
		Total energy consumption	1,257,598		1,649,042	

Energy consumption



■ Natural Gas	0,5%
■ Petrol	1,0%
■ Diesel	3,6%
■ Ethanol	0%
■ Biogas	0%
■ Electricity	90,2%
■ District heating	1,7%
■ District cooling	3,0%

Electricity consumption is the primary source of Tele2's emissions of greenhouse gases. In the Greenhouse Gas Protocol there are two alternative methods for calculating the emissions in scope 2: the location-based method and the market-based method. The location-based method considers the average emission intensity for the whole grid, while the market-based method considers the market for guarantees of origin. Using the market-based method allows you to choose low emitting production, but if you do not make an active choice the emission intensity for the so called "residual mix" will be higher than the average for the whole grid. As the choice of method has such an impact on the calculations of Tele2's greenhouse gas emissions, the result is disclosed with both methods where the market-based method always shows the highest value. Tele2's electricity consumption decreased with 24 percent compared to 2018, partly as a result of markets like The Netherlands and Kazakhstan no longer being part of the full year reporting. Electricity consumed in base stations and other technical sites, which accounts for approximately 87.5 percent of total energy consumption, is by far the largest source of indirect emissions.

Based on the result in 2019, Tele2 could be said to have a potential environmental liability related to climate change of 96,900 (market based) / 91,197 (location based) tons of CO₂-eq, approximately –36 percent (market based) / –23.7 percent (location based) compared to total emissions in 2018. Should these emissions be regulated, for instance as a result of an international agreement, it could mean an estimated cost of EUR 2 millions (market based) / EUR 1.9 millions (location based) for buying allowances, calculated by using the 2019 average allowance price in the EU Emission Trading System (EU-ETS) of EUR 25/ton (EUR 15.5 in 2018, sharp increase). Since it could not be considered likely that ICTs would be included in the EU ETS, calculations on the open carbon market could result in a different price. According to the second Stern report, which was published in June 2014, the price on carbon dioxide that is needed to avoid more than 2 degrees above pre-industrial levels, would be \$32–103 per ton. If Tele2's emissions for 2019 were put in monetary terms in that respect, with the price of \$103 per ton, the total cost would be EUR 8.9 millions (market based) / EUR 8.4 millions (location based).

100 percent of the electricity consumed in Sweden are certified green electricity, amounting to 37 percent of total energy consumed within Tele2 and 41.2 percent of total electricity consumption. Tele2 has offset all its 2019 emissions in Sweden, including energy, cars and air travel, a total of 4,929 tons CO₂-eq, in the projects Karnataka Wind, and Godawari Solar Rays, both in India. These projects are certified by Gold Standard and by UNFCCC CDM.

Tele2 has several pilot projects regarding renewable energy consumption at technical sites in Latvia and Sweden, where solar panels and a wind turbine have been mounted to help produce renewable energy. The pilot project in Sweden covered 3.8 percent of the energy consumed at the site. The Latvian pilot project covered 7.5 percent of the energy consumption at the sites.

We track the following Key Performance Indicators in the energy and emissions fields:

- Percentage of green energy total: 37 percent
- Percentage of green electricity total: 41.2 percent
- Energy consumed per RGU: 31.9 kWh
- Emissions emitted per RGU: 9.3 kg CO₂-eq emissions

See disclosure 305-1 and 305-2 for further emission data.

Notes on changes and altered calculation methods:

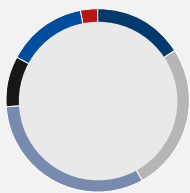
- Tele 2 SE's purchase of green electricity covers all electricity consumption for the year, which decreases the indirect energy emissions (Scope 2) drastically.
- Divested operations in Kazakhstan are only partially reported as the transaction was made mid-year 2019. The divested operations in The Netherlands are no longer part of the reporting.
- The KPIs based on RGUs are based on the total RGUs published in the Annual Report.

Tele2 has discovered minor reporting errors in the data presented for 2018 in the previous sustainability report. The correct figures for 2018 are stated above.

GRI Standards Disclosure

Emissions (GRI Standard 305: Emissions 2016)

305-1	Direct (Scope 1) GHG emissions	2019				2018				
		Direct	Energy indirect	Total	Share	Direct	Energy indirect	Total	Share	
305-2	Energy indirect (Scope 2) GHG emissions	Emissions by market (Tons CO ₂ -eq)								
		Croatia	894	14,820	15,714	16%	557	10,221	10,778	7%
		Estonia	269	24,662	24,931	26%	273	20,234	20,507	14%
		Germany	18	44	62	0%	27	59	86	0%
		Kazakhstan ¹⁾	288	30,592	30,880	32%	715	50,225	50,940	34%
		Latvia	432	8,766	9,198	9%	473	6,160	6,633	4%
		Lithuania	225	13,153	13,378	14%	206	23,582	23,788	16%
		Netherlands ²⁾	-	-	-	-	1,608	33,958	35,566	23%
		Sweden	2280	456	2,735	3%	2,448	428	2,876	2%
		Com Hem ³⁾	-	-	-	-	0	203	203	0%
		Total	4,406	92,493	96,900		6,306	145,068	151,341	

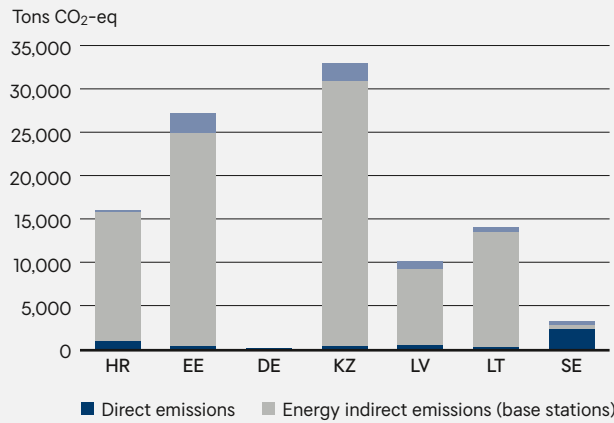


■ Croatia	16%
■ Estonia	26%
■ Germany	0%
■ Kazakhstan	32%
■ Latvia	9%
■ Lithuania	14%
■ Sweden	3%

¹⁾ Reporting until June 30, 2019 due to divestment.

²⁾ Divested January 2, 2019.

³⁾ Com Hem is not reported separately from Sweden during 2019 due to completed merger in November 2018.



Tele2 has discovered minor reporting errors in the data presented for 2018 in the previous sustainability report. The correct figures for 2018 are stated above.

Environmental Compliance (GRI Standard 307: Environmental Compliance 2016)

307-1	Non-compliance with environmental laws and regulations	See Tele2 Annual Report 2019, p. 28.
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YES

GRI Standards Disclosure

Employment (GRI Standard 401: Employment 2016)

401-1	New employee hires and employee turnover	Continuing Operations	New hires			Employees Leaving		
			Total	of whom women	of whom men	Total	of whom women	of whom men
		Austria	0	0	0	1	1	0
		Estonia	84	60	24	70	44	26
		Germany	0	0	0	1	1	0
		Latvia	172	100	72	277	142	135
		Lithuania	59	35	24	0	0	0
		Luxembourg	0	0	0	0	0	0
		Netherlands	2	0	2	1	0	1
		Sweden	370	197	173	1018	345	673
		Total continuing operations	687	392	295	1368	533	835
		Discontinued operations						
		Croatia	152	85	67	48	23	25
		Kazakhstan	293	156	137	252	128	124
		Netherlands	37	9	28	371	119	252
		Total discontinued operations	482	250	232	671	270	401
		Total numbers for 2019	1169	642	527	2039	803	1236

Total increase/decrease for continuing operations in 2019:

Women = -141

Men = -540

For further information regarding employees, see Note 33 in the Annual Report 2019, p 72.

Occupational Health and Safety (GRI Standard 403: Occupational Health and Safety 2016)

403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Tele2 omits occupational disease rates, injuries, injury rate and lost day rates, because its operations are not naturally prone to these issues and data is therefore not available.
	Absentee rate	
		SE EE LV (SSC) LV LT HR DE KZ
	Women	
	Total # of absentee days over the period	12,998 1,784 8,336 6,462 3,236 854 168 3,302
	Total # of workforce days worked for the same period	247,836 49,341 23,388 41,712 83,603 37,746 3,249 75,208
	Total absentee rate	5% 4% 36% 15% 4% 2% 5% 4%
	Men	
	Total # of absentee days over the period	13,040 382 4,593 2,585 746 345 247 2,262
	Total # of workforce days worked for the same period	564,930 21,207 34,228 29,548 34,588 36,193 6,592 79,016
	Total absentee rate	2% 2% 13% 9% 2% 1% 4% 3%

No fatalities were reported during the year.

Diversity and Equal Opportunity (GRI Standard 405: Diversity and Equal Opportunity 2016)

405-1 Diversity of governance bodies and employees See Tele2 Annual Report 2019, p. 72.

YES

Non-discrimination (GRI Standard 406: Non-discrimination 2016)

406-1 Incidents of discrimination and corrective actions taken No incidents of discrimination were reported during the year.

GRI Standards Disclosure

407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk

Tele2 aims to conduct its business with the highest degree of ethics while also being compliant to local laws and regulations and respecting human rights. Tele2's different markets are all different in this aspect, with Kazakhstan being the most challenging.

To mitigate risks Tele2 uses a Code of Conduct (CoC) applicable to its own operations and a Business Partner Code of Conduct (BPCoC) applicable to its business partners, based on the United Nations Global Compact. It encompasses labor rights, anti-corruption, environment, freedom of association and collective bargaining, child labor and forced labor, and other basic human rights. Both codes were updated last in November 2018.

In order to protect the rights to exercise freedom of association or collective bargaining, the CoC and the BPCoC explicitly state:

"The rights of employees to freely associate and to bargain collectively, in accordance with the laws of the countries in which they are employed, shall be recognised and respected."

In order to mitigate risks related to human rights and labor conditions in its supply chain, Tele2 requires its significant Business Partners – with contract values exceeding SEK 1 million per year – to sign the Tele2 Business Partner Code of Conduct. By doing so Tele2 includes clauses about human rights, labor rights, anti-corruption and environment etc. into a vast majority of its agreements with its business partners. In addition, approximately 27 percent of spend of the business partners which are managed within the sourcing & procurement processes described above have also been screened and monitored with the EcoVadis Business Sustainability Ratings.

In case of breaches of the Business Partner Code of Conduct, Tele2 primarily conducts dialogues with Business Partners to establish remediation plans. If this would not produce the desired changes, Tele2 can terminate the relationship with the specific business partner.

Child Labor (GRI Standard 408: Child Labor 2016)

408-1 Operations and suppliers at significant risk for incidents of child labor

See disclosure 407-1.

Furthermore, in order to protect the rights of children, the CoC and the BPCoC explicitly state:

"Children under the minimum working age established by local law or fifteen (15) years, whichever is greater, shall not be used as labour force. Employees under eighteen (18) years shall not be engaged in hazardous or heavy work, or on nights shifts"

Forced and Compulsory Labor (GRI Standard 409: Forced and Compulsory Labor 2016)

409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor

See disclosure 407-1.

Furthermore, in order to contribute to the elimination of all forms of forced or compulsory labor, the CoC and the BPCoC explicitly state:

"Forced labour, exploited or bonded labour is strictly forbidden. Employees shall not be required to lodge deposits or original identity papers as a condition for employment."

Customer Health and Safety (GRI Standard 416: Customer Health and Safety 2016)

416-2 Incidents of non-compliance concerning the health and safety impacts of products and services

See Tele2 Annual Report 2019, p. 28.

YES

Marketing and Labeling (GRI Standard 417: Marketing and Labeling 2016)

417-3 Incidents of non-compliance concerning marketing communications

See Tele2 Annual Report 2019, p. 29.

YES

Customer Privacy (GRI Standard 418: Customer Privacy 2016)

418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data

See Tele2 Annual Report 2019, p. 29.

YES

Socio-economic Compliance (GRI Standard 419: Socioeconomic Compliance 2016)

419-1 Non-compliance with laws and regulations in the social and economic area

See Tele2 Annual Report 2019, p. 29.

YES

Signatures

Stockholm March 25, 2020

Carla Smits-Nusteling
Chairman

Andrew Barron

Anders Björkman

Georgi Ganev

Cynthia Gordon

Eva Lindqvist

Lars-Åke Norling

Anders Nilsson
President and CEO

Auditor statement

Auditor's report on the statutory sustainability report

To the general meeting of the shareholders in Tele2 AB (publ) AB, corporate identity number 556410-8917

Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability report for the year 2019 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability

report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion

A statutory sustainability report has been prepared.

Stockholm, March 25, 2020

Deloitte AB

Pontus Pålsson
Authorized Public Accountant

Contacts

Tele2 AB

Company registration nr:
556410-8917
Skeppsbron 18
P.O. Box 2094
SE-103 13 Stockholm
Sweden
Tel + 46 (0)8 5620 0060
www.tele2.com

Erik Wottrich

Head of Sustainability
Telephone: +46 (0)704 26 43 84

Marcus Lindberg

Head of Investor Relations
Telephone: +46 (0)73 439 25 40

VISIT OUR WEBSITE: www.tele2.com/sustainability

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