

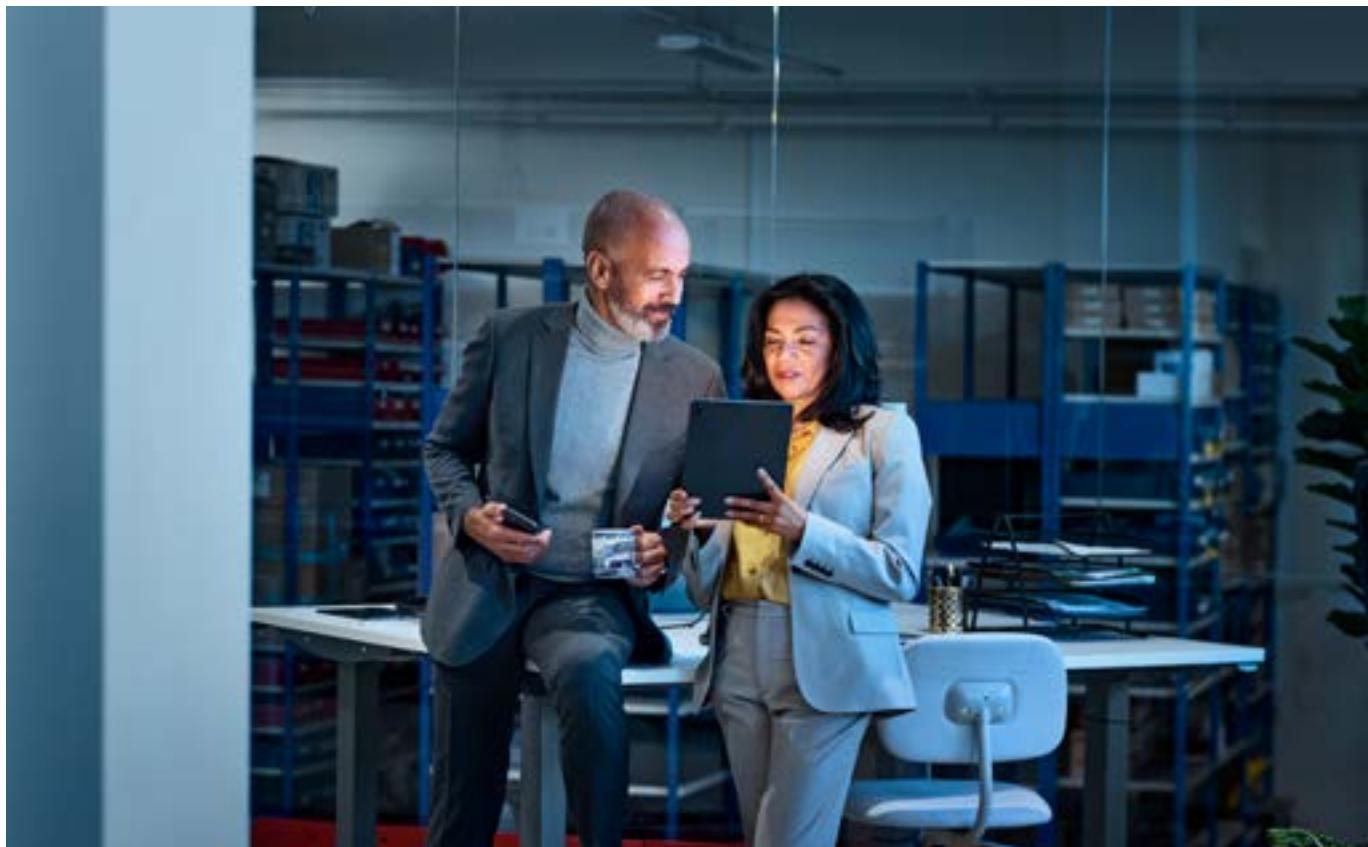
SUSTAINABILITY LINKED BOND PROGRESS REPORT

April 2024

TELE2
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Contents

1. Introduction	3
2. KPI Performance and strategy to achieve Sustainability Performance Targets (“SPT”)	4
3. Calculation methodology and recalculations	6
4. Auditor’s Limited Assurance Report.....	9



1. Introduction

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.

To facilitate our vision to lead in sustainability and integrate Tele2's Sustainability strategy into its funding, Tele2 launched a Green- and Sustainability Linked Financing Framework in April 2022. The Framework has been developed in accordance with the Green- and Sustainability Linked Bond Principles ("GBP" and "SLBP").

Under the framework, Tele2 can issue Green- and Sustainability Linked Bonds.

A Second Party Opinion on the Green- and Sustainability Linked Financing Framework has been provided by Sustainalytics. The Second Party Opinion as well as the Green- and Sustainability Linked Financing Framework are available on Tele2's website.

The Framework has been incorporated into our EMTN-documentation, enabling us to further communicate on our sustainability strategy and commitment.

This Sustainability Linked Bond Progress Report is prepared in accordance with the Green- and Sustainability Linked Financing Framework as well as the Terms and Conditions of the outstanding SEK 1.3bn stibor 3m + 110bps and SEK 300m 3.25% sustainability linked Notes due 2027 (the "2027 Notes").

The report contains status on the selected KPIs and should be read in conjunction to the Group's Annual and Sustainability report found on tele2.com/investors/reports-and-presentations

We are happy and proud to report progress ahead of our trajectory on KPI 1. During 2023 we have reduced absolute scope 1 and 2 GHG emissions by 97%, up from 96.5% in 2022, compared to the base year 2019.

Emissions in scope 3 have increased by 7% compared to last year and 11% compared to the base year 2019. The increase has resulted from the fact that several updates have been made to the reporting methodology to improve data quality, which have been applied both on the 2023 reporting and retroactively for 2022 and the 2019 base year. The updates have resulted in an increase of total emissions in scope 3 by 36% for 2022 and 17% for 2019.

2. KPI Performance and strategy to achieve Sustainability Performance Targets (“SPT”)

KPI	2019 baseline Tons CO2-eq	2019 revised baseline ¹ Tons CO2-eq	2022 outcome ² Tons CO2-eq	2023 outcome Tons CO2-eq	% Reduction against revised baseline	Sustainability Linked Bond SPT for 2026	Sustainability performance targets for 2029
KPI 1: Reduction of scope 1 and 2 GHG emissions. Including CO2 and other GHG emissions as defined in the GHG Protocol.	43,058	43,258	1,643	1,514	97%	96%	100%
KPI 2: Reduction of scope 3 GHG emissions per subscription. Including CO2 and other GHG emissions as defined in GHG Protocol.	145,345	246,271	255,359	273,217	+11%	8%	60%

1) Tele2 recalculated its baseline emissions during 2022, in line with current best practice for setting and following up on science-based climate targets. Please refer to the section “Revised baseline” on page 8 for more details.

2) The 2022 outcome on KPI1 reported in last year's SLB progress report has been updated in this years report due to updates in the climate calculation methodology and enhancements in data quality. For more information please refer to section 3 about Calculation methodology and recalculations on page 6.

KPI 1: Reduction of Scope 1,2 GHG emissions.

The total emissions in scope 1 and 2 for Tele2 in 2023 were 1,514 tonnes CO2-eq which is a decrease of 97% compared to 2019 (43,258 tons CO2-eq). Tele2 has maintained more than the 96% emission reductions target in scope 1 and 2 compared to the 2019 base year and has set a science-based target of reaching 100% reduced emissions by 2029.

In 2023, Tele2 continued its sourcing of 100% renewable electricity which means that the emissions from purchased electricity using the market-based method are almost zero, with certain emissions from the production of biomass-based electricity (a total of 7 tonnes of CO2-eq in 2023).

The emissions from energy fuels decreased by 62% compared to 2022, mainly due to the implementation of new heating energy in the offices and reduced use of backup power generators.

Since Tele2 started sourcing 100% renewable electricity, the climate impact from cars is the largest source of emissions in Tele2's scopes 1 and 2 and primarily comes from petrol and diesel consumption. In 2023 the emissions from cars corresponded to 80% of Tele2's total scope 1 and 2 emissions but have decreased by 6% since 2022. This is a result of increasing electricity consumption in electric and hybrid cars.

The consumption of diesel decreased by 31% compared to 2022 while the energy fuel consumption from electricity increased by 53% and from gas mix by 35% since 2022. However, the use of petrol has increased by 11% since 2022.

During the year, Tele2 has continued the roll-out of solar panels and wind turbines in the Latvian and Estonian operations, to increase the generation of renewable energy. Tele2 has also continued its implementation of free-cooling systems in Latvia, to decrease its dependency on air conditioning systems using refrigerants. Additionally, Tele2 has phased out the use of natural gas for heating, resulting in lower emissions from energy fuels.

KPI 2: Reduction of Scope 3 GHG emissions per subscription

The total emissions in scope 3 for Tele2 in 2023 were 273,217 tonnes CO₂-eq which is an increase of 11% compared to 2019 (246,271 tonnes CO₂-eq). Tele2 is therefore currently not performing according to projected emissions reductions of 8% by 2026 as defined in the Notes final terms. The increase in scope 3 emissions is the result of a combination of improved data quality and purchasing variations between the years, as well as increased emissions mostly from the categories Capital goods, Business travel and Employee commuting.

The Capital goods category increased by 32% during 2023, primarily because of increased spending as well as improved data quality.

Emissions increased by 20% in the category Business travel and by 74% in the category Employee commuting due to increased air travel and less working from home as the year 2022 was still influenced by the Covid-19 pandemic.

Tele2 has estimated that the number of subscriptions will remain unchanged between 2019 and 2029 since (i) the number of fixed connections is expected to decrease and (ii) mobile is expected to increase. Therefore, the increase per subscription is also 11% compared to 2019. Tele2 will therefore increase its efforts for achieving the goal of reducing scope 3 emissions 60% per subscription by 2029.

Tele2 has previously identified the categories “purchased goods and services” and “capital goods” to be the main source of scope 3 emissions. This remains valid also for 2023 as this category represents almost 90% of scope 3 emissions. As part of Tele2’s roadmap to decrease emissions from these categories and reaching its long-term goals, Tele2 has in 2023 engaged in dialogue with its 20 largest suppliers by spend to make sure they have set CO₂ reduction targets in line with Tele2’s science-based targets. If we find our suppliers’ targets to be insufficiently ambitious, Tele2 will engage in dialogue with those suppliers, to make our expectations clear, and attempt to ensure that these suppliers set targets in line with ours, and those of the 1.5°C target of the Paris Agreement.

During the year, Tele2 has continued to offer services for a more circular use of hardware. In 2023, 28% of devices in Tele2 Sweden B2B Large Enterprise & Public segment was sold in a circular business model, compared to 24% in 2022. The share of reclaimed mobile phones in our Swedish B2B and B2C operations has also increased, from 13.2% in 2022 to 19.9% in 2023.

The share of reclaimed mobile phones in Sweden has increased, both due to an increase in the number of reclaimed products, and due to a decrease in number of shipped mobile phones. In 2023, new reports on take-back of mobile phones were added to the report, both for 2023 and 2022, which resulted in a slight increase in reclaimed and reused mobile phones also for 2022.

3. Calculation methodology and recalculations

Scope 1 and 2 emissions and calculations for Science-based target.

Scope 1 represents GHG emissions from Tele2's own operations, and scope 2 represents indirect GHG emissions from consumption of purchased electricity, cooling and heating. Tele2's definitions are aligned with the GHG Protocol. Targets for these emissions are set towards at least a 1.5 degrees scenario.

Scope 1:

Tele2 applies the operational control approach to its calculations, meaning that emissions from facilities and vehicles under the operational control of Tele2 are reported.

- Emissions from company cars include all cars operated by Tele2's employees in duty and include company owned cars, leased cars, rental cars, and private cars operated for business purposes. The primary source of data for fuel combustion is the actual volume of fuel consumed per fuel type. If the fuel volume is not available, the travelled distances per fuel type is used.
- Refrigerant leakage emissions are included in scope 1 for facilities where Tele2 has the operational control. Refrigerant leakages are assumed to equal the refilled volumes of a cooling system.
- If data is not available, assumptions are based on known data sources to estimate the unknown parts.

Scope 2:

Emissions in scope 2 relate to purchased electricity, district heating, and district cooling.

- Data on actual energy use was primarily used, e.g. the actual electricity consumption for a facility.
- Where primary data was not available, the energy use was based on the energy cost and an assumed cost per kWh.
- If data was not available, assumptions based on known data sources were made to estimate the unknown parts.

Changes and altered calculation methods:

- During the year, Tele2 updated the estimated share of electricity and fuels used in hybrid cars. Previously it was assumed that there was a 50/50 distance split between fuel usage and electricity. However, for the 2023 calculations it was assumed, based on the Swedish Energy Agency, that hybrid cars operated 53% of the kilometers on electricity and 47% on fuel.

Scope 3 emissions and calculations for Science-based target

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.

Emissions in scope 3 include both upstream and downstream emissions. For the emission reductions in scope 3, purchased goods and services, capital goods, use of sold products and end-of-life treatment of products are especially crucial categories as they combined represent 96,7% of Tele2's total scope 3 emissions.

- Purchased goods and services and capital goods: 243,403 t CO₂-eq (89,1% of scope 3 emissions)
- Use of sold products and end-of-life treatment of products: 20,720 t CO₂-eq (7,6% of scope 3 emissions)
- Other: 9,094 t CO₂-eq) (3,3% of scope 3 emissions)

Purchased goods and services and capital goods

• Where possible, Tele2 collected data through surveys to hardware suppliers requesting product-level data. If the data was unavailable, Tele2 requested aggregated emissions data allocated to Tele2 based on revenue. Secondly, surveys were sent out to service suppliers asking for aggregated company-level emissions which were allocated to Tele2 based on revenue. To close the remaining data gaps a combination of additional methodologies were used, including the use of emission factors from public sources and extrapolation of supplier data from previous years. Data on purchased hardware was used to estimate the emissions from hardware unless no representative emission factors were available. In cases where none of the above methodologies were applicable, a spend-analysis was applied.

Calculations for capital goods follow the same methodology as described in the Purchased goods and services section above since these emissions also relate to purchases from Tele2's suppliers.

Use of sold products and end-of-life treatment of products

This category is calculated using the average-data method and includes emissions from the products sold to end-users by Tele2. The number of sold products was used as a basis for the calculations this year. The electricity consumption from sold products was estimated and resulting emissions were calculated by applying the respective country grid mix emission factor. Product lifetimes, usage, required power, and weights were estimated for product groups using reference products. Emissions from the end-of-life treatment were calculated using the same emission factors as for the waste generated in operations category.

Packaging of sold products is included in the calculations. The average-data method was applied for these calculations, where the share of waste to recycling, combustion and landfill was estimated based on national statistics. The waste transport emissions are included here too.

Spend and emissions from hardware, used for calculating Purchased goods and services, Capital goods, Upstream transportation and distribution, and End-of-life treatment of products, was collected for the period November 1st 2022 - October 31st 2023, to ensure timely input from suppliers

Other scope 3 categories

- Fuel and energy related activities: 2,973 t CO2-eq
- Upstream and downstream transportation and distribution: 2,063 t CO2-eq
- Waste generated in operations: 17 t CO2-eq
- Business travel: 1,307 t CO2-eq
- Employee commuting: 2,734 t CO2-eq

Calculations of emissions in the above categories are conducted in line with the GHG Protocol, and include primary data, industry/country averages and estimates based on data availability. More details can be found in NOTE S9 in Tele2's Annual and Sustainability Report 2023.

Changes and altered calculation methods:

- Purchased goods and services: Previously, the calculations were based on spend to a great extent. The update meant that calculations instead were based on purchased hardware data where possible. The underlying spend data was also updated, as it was identified that the Baltics were not included in the reported figures historically. This error was rectified and updated for the base year and 2022 as well. This resulted in an increase of about 52,000 tonnes CO2-eq in the base year in 2019, and close to 56,000 tonnes CO2-eq in 2022.
- Upstream and downstream transportation and distribution: Emissions from outbound transports are based on data reported directly by carriers and extrapolated emissions in cases where data was unavailable. New for the 2023 disclosure was that Tele2 estimated the inbound transport emissions using the weights from the purchased hardware together with assumptions on transport distances and shares of travel modes. Previously these emissions were based on a spend-analysis. The updated methodology was applied to the base year and 2022 as well. Transport data from the Baltics has been unavailable until 2023. During 2023, these emissions were mapped and updated for the base year, 2022 and 2023. The emission factors for the category "upstream transportation and distribution" for the Baltics were updated this year as a result of increased

data availability. This was updated for the base year 2019 and 2022 as well.

- Employee commuting: The methodology was updated during the year. Instead of using the Swedish survey on travel habits, a commuting survey was sent out to the employees in Sweden and the Baltics. The responses were used to calculate the number of days spent at the workplace weekly, which travel modes that were used and the commuting distances for an average employee in each country. The results were then multiplied by the number of FTE:s in 2023, the number of workdays during the year and emission factors for each travel mode. The results from the survey were statistically validated.
- Use of sold products: This category is calculated using the average-data method and includes emissions from the products sold to end users by Tele2. Unlike in previous years, data on the number of sold products was available. Instead of assuming that the number of sold products equaled the number of RGUs (revenue-generating units) per country, the number of sold products was used as a basis for the calculations this year. The results in the base year and 2022 were updated using the same methodology.
- End-of-life Treatment of Sold Products: Similar to the use of sold products, these emissions were previously based on the number of RGUs. Now, the emissions are based on the number of sold products. The weight of the sold products was estimated based on reference products for several product categories to calculate the total weight of waste in the end-of-life treatment process.
- The underlying spend data was updated, as it was identified that the Baltics were not included in the reported figures historically. This error was rectified and updated for the base year and 2022 as well. This resulted in an increase of about 52,000 tonnes CO2-eq in the base year in 2019, and close to 56,000 tonnes CO2-eq in 2022.

Changes in data compared to previous years:

- During 2023 it was noted that the electricity kilometers for hybrid cars were not previously reported in 2022. This was updated for 2022, resulting in lower consumption of diesel and petrol fuel from cars and increased consumption of electricity from cars, and consequently lower emissions in scope 1 and 2.
- In 2023, data on self-generated electricity in Latvia and Estonia was added, both for 2023 and 2022.
- In 2023, Vehicle gas was discovered to have been erroneously calculated and was adjusted – resulting in lower consumption in 2022 than previously reported (26 MWh instead of 29 MWh).
- Transport data from the Baltics has been unavailable until 2023. During 2023, these emissions were mapped and updated for the base year, 2022 and 2023. The emissions from the outbound transport emissions from the Baltics amounted to about 350 tonnes CO₂-eq in the base year in 2019, and 250 tonnes CO₂-eq in 2022

Revised baseline

As a part of Tele2's process to obtain approval for our net-zero target by the Science-Based Target initiative (SBTi) in July 2022, the SBTi required us to recalculate our base year emissions for already existing climate targets as well as for the new net-zero target. These recalculations are in line with the current best practice for setting and following up on science-based climate targets, and an important tool to continuously ensure that our emission reductions and progress towards the SPTs are accurate.

Tele2 works continuously to improve the data quality of reported emissions in our operations and value chain. As a result of this process, updates in emissions data are likely to occur to varying degrees. We view this as a positive development as we are able to provide an increasing share of primary emissions data.

The recalculations and methodology updates have been conducted for the base year (FY 2019), FY2022 and FY2023 to enable continued comparability and ability to track progress towards Tele2's climate goals.



4. Auditor's Limited Assurance Report on specified sustainability information in Tele2's Sustainability Linked Bond Progress Report 2023

To Tele2 AB (publ), corporate identity number 556410-8917

Introduction

We have been engaged by the Executive Management of Tele2 AB (publ) to undertake a limited assurance engagement on the below specified disclosures, presented in the Tele2 'Sustainability Linked Bond Progress Report' for 2023.

- KPI 1: Reduction of Scope 1 and 2 greenhouse gas emissions, as presented on page 4 to 8 in the Tele2 Sustainability Linked Bond Progress Report 2023.
- KPI 2: Reduction of Scope 3 greenhouse gas emissions, as presented on page 4 to 8 in the Tele2 Sustainability Linked Bond Progress Report 2023.

Responsibilities of the Executive Management

The Executive Management is responsible for the preparation of the Sustainability Linked Bond Progress Report in accordance with the applicable criteria, as explained on page 3 in the Sustainability Linked Bond Progress Report 2023 and are the parts of Tele2's Green and Sustainability-Linked Financing framework dated April 2022 (available at https://www.tele2.com/files/globalassets/documents/investors/dept-financing/Tele2_Green_and_Sustainability_Financing_Framework.pdf), as well as the accounting and calculation principles that the company has developed. This responsibility also includes the internal control relevant to the preparation of a Sustainability Linked Bond Progress Report that is free from material misstatements, whether due to fraud or error.

Responsibilities of the auditor

Our responsibility is to express a conclusion on the above specified disclosures in the Tele2 Sustainability Linked Bond Progress Report 2023 based on the limited assurance procedures we have performed. The selection of disclosures to be reviewed has been made by the management of Tele2. Our engagement is limited to the above specified disclosures, and is limited to historical information presented and does not cover future oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 (revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Linked Bond Progress Report and applying analytical and other limited assurance procedures. The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement conducted in accordance with International Standards on Auditing and other generally accepted

auditing standards in Sweden.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of Tele2 in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The procedures performed consequently do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, the conclusion of the procedures performed do not express a reasonable assurance conclusion.

Our procedures are based on the criteria defined by the Executive Management as described above. We consider these criteria suitable for the preparation of the above specified disclosures presented in the Sustainability Linked Bond Progress report 2023.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

Conclusion

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the information regarding the above specified disclosures in Tele2 Sustainability Linked Bond Progress Report 2023, are not prepared, in all material respects, in accordance with the criteria defined by the Executive Management.

Stockholm 29 April 2024

Deloitte AB

Didrik Roos

Adrian Fintling

Authorized Public Accountant

Expert Member of FAR



TELE2

The background image shows a coastal scene with a red wooden cabin on stilts, solar panels on its roof, and a small dock extending into the water. The sky is dark, suggesting it's either nighttime or the photo was taken during twilight. The foreground consists of large, light-colored rocks.