

# GRI INDEX

The GRI index and other sections of the Annual and Sustainability Report have been prepared according to GRI G4 "In accordance – Core." Additionally we use the Telecommunications Sector Supplement. Deloitte has been engaged to provide a limited level of assurance on these sections, see Auditors' Limited Assurance Report on the Sustainability Report for more information. All disclosures in this GRI index are covered by the limited assurance engagement. In the case of a disclosure not being fully reported, the omission is explained at the end of the disclosure.

## STRATEGY AND ANALYSIS

### G4-1 CEO statement

See Our Company, section "Comments by the CEO."

### G4-2 Description of key impacts, risks, and opportunities

See Our company, sections "Created value", "Responsible business achievements", "Trends and stakeholders" and "Strategy" and Directors' Report, section "Risks and uncertainties."

## ORGANIZATIONAL PROFILE

### G4-3 Name of the organization

Telia Company AB (publ).

### G4-4 Primary brands, products, and services

See Our Company, section "Where we operate."

### G4-5 Location of the organization's headquarters

Solna, Sweden.

### G4-6 Countries where the organization operates

See Our Company, section "Where we operate."

### G4-7 Nature of ownership and legal form

See Directors' report, section "Telia Company share."

### G4-8 Markets served

See Our Company, section "Where we operate."

### G4-9 Scale of the organization

See Our Company, sections "2017 in brief" and "Where we operate."

### G4-10 Total workforce by employment type, employment contract, and region

See Note C31 to the consolidated financial statements.

*Omission: We do not report percentage of full-time and part-time employees, or percentage of permanent and temporary employees.*

### G4-11 Percentage of employees covered by collective bargaining agreements

76 (79) percent of employees were covered by collective bargaining agreements. In the following countries the percentage is zero: Azerbaijan, Czech Republic, Georgia, Hong Kong, Hungary, Kazakhstan, Netherlands, Poland, Russia, Singapore, Spain, Turkey, United Kingdom and United States.

Telia Company employees have the right to choose whether or not to be represented by a trade union for the purpose of collective bargaining. No employee shall be discriminated against for exercising this right. All employees should be aware of the basic terms and conditions of their employment. Telia Company respectfully cooperates with legitimate employee representatives and national labor unions.

### G4-12 Description of the supply chain

Telia Company purchases goods and services from both local and international suppliers. These include consumer electronics such as mobile handsets, network equipment, construction and maintenance services, and various con-

sulting services. Our products and services are sold and distributed through our own sales channels and through resellers and partners. See also Directors' Report, sections "Responsible sourcing" and "Risk and uncertainties", Responsible sourcing for more information about regional and topical challenges.

#### **G4-13 Significant changes during the reporting period regarding size, structure, ownership or supply chain**

See Directors' Report, section "Group development", Acquisitions and disposals.

#### **G4-14 How the precautionary principle is approached**

For Telia Company the precautionary principle relates mainly to product safety and electromagnetic fields (EMF). Our overall precautionary approach is addressed through the code of responsible business conduct, supplier code of conduct, other policies, and the compliance framework.

#### **G4-15 Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses**

See Corporate Governance, section "Statement of Materiality and significant audiences."

#### **G4-16 Memberships of associations**

See [www.teliacompany.com/en/about-the-company/public-policy/](http://www.teliacompany.com/en/about-the-company/public-policy/).

## IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES

#### **G4-17 Entities included in the consolidated financial statements, and whether any entity is not covered by the report**

See Our Company, section "Where we operate" and Note C4 to the consolidated financial statements.

#### **G4-18 Process for defining report content and aspect boundaries, and how the reporting principles for defining report content have been implemented**

Report content and aspect boundaries are defined through continuous or annual internal and external stakeholder

input, including discussions at Group Executive Management and Board of Directors level on the strategic direction of Telia Company's sustainability work, and as part of the process of producing the Annual and Sustainability Report. See also Our Company, sections "Trends and stakeholders" and "Strategy."

#### **G4-19 Material aspects identified in the process for defining report content**

See Our company, section "Trends and stakeholders" for an understanding of material topics and processes that define our sustainability work and report content, and "Strategy" for information about our focus areas in shared value creation and responsible business. For reporting purposes, the following aspects are considered material and are reported on in this GRI index: Economic performance; Indirect economic impact; Energy; Emissions; Effluents and waste; Supplier assessment; Occupational health and safety; Training and education; Grievance mechanisms; Investment; Non-discrimination; Freedom of association and collective bargaining; Child labor; Forced and compulsory labor; Local communities; Anti-corruption; Anti-competitive behavior; Compliance; Product and service labeling; Customer privacy; Health and safety regarding electromagnetic fields (EMF); Access to telecommunication products and services; Access to content.

#### **G4-20 Aspect boundary within the organization for each material aspect**

Material aspects are considered as material for the entire organization.

#### **G4-21 Aspect boundary outside the organization for each material aspect**

Material aspects are considered as material for all external stakeholder groups.

#### **G4-22 Effect of any restatements of information provided in previous reports, and the reasons for such restatements**

No significant restatements.

#### **G4-23 Significant changes from previous reporting periods in the scope and aspect boundaries**

Data provided in this GRI index has been restructured to reflect other reporting, and is generally presented as Continuing operations Nordic and Baltic markets and Telia Carrier unless otherwise specified and Discontinued operations (former region Eurasia). The reference to Core markets

in this GRI index and in the Directors' Report, section "Responsible business" refers to operations in Denmark, Estonia, Finland, Lithuania, Norway and Sweden.

Operations covered in this GRI index are defined in Our company, section "Where we operate", the table Ownership – Subsidiaries. Joint ventures are included based on ownership share. The following exceptions to this reporting scope apply:

- Information from Yoigo in Spain and Ncell in Nepal which were divested in 2016 is included only in 2015 information
- Information from Tcell in Tajikistan which was divested in 2017 is included only in reported energy, emissions and occupational health and safety figures for 2015 and 2016

## STAKEHOLDER ENGAGEMENT

### G4-24-27 Stakeholder engagement

See Our Company, section "Trends and stakeholders" and Corporate Governance, section "Statement of materiality and significant audiences." We select and engage with stakeholders from key stakeholder groups in a way that we believe provides critical information to guide our strategy and how we operate in society. We engage in both quantitative and qualitative stakeholder engagement. Stakeholders are generally selected for engagement either because we believe that they represent the opinions of a stakeholder group as a whole (e.g. respondents of consumer surveys), or because we consider them influential or critical in order to better understand our impact (e.g. industry associations).

## REPORT PROFILE

### G4-28 Reporting period

Calendar year 2017.

### G4-29 Date of most recent previous report

March 2017.

### G4-30 Reporting cycle

Annual. We regularly publish sustainability related information on the Newsroom and other relevant reporting such as law enforcement disclosure statistics. See [www.teliacompany.com/en/sustainability/reporting/](http://www.teliacompany.com/en/sustainability/reporting/).

### G4-31 Contact point for questions regarding the report or its contents

Comments and feedback are important to help us develop our sustainability work and reporting. You are welcome to contact us at [sustainability-group \(at\) teliacompany.com](mailto:sustainability-group@teliacompany.com).

### G4-32 GRI content index

GRI Index.

### G4-33 Policy and current practice with regard to seeking external assurance to the report

Deloitte has been engaged to provide a limited level of assurance on sections of the Annual and Sustainability Report. Telia Company will continue this practice.

## GOVERNANCE

### G4-34-49 Governance of the organization with regards to economic, social and environmental impacts

See Corporate Governance, sections "Board of Directors", Responsibilities and "Group-wide governance framework", Setting the boundaries for how we act.

## ETHICS AND INTEGRITY

### G4-56 Values, principles, standards and norms of behavior such as codes of conduct and codes of ethics

See Corporate Governance, sections "Statement of materiality and significant audiences" and "Group-wide governance framework", Setting the boundaries for how we act.

### G4-58 Internal and external mechanisms for reporting concerns about unethical or unlawful behavior

See Corporate Governance, section "Enterprise risk management (ERM) framework", Whistle-blowing process.

## DISCLOSURE ON MANAGEMENT APPROACH

For an understanding of how material aspects have been identified, see Our Company, section "Trends and stakeholders." For more information about sustainability governance, see G4-34-39 and the respective focus area in Directors' Report, Responsible business. The Code of Responsible Business Conduct and other governing documents can be found at [www.teliacompany.com/en/about-the-company/public-policy/](http://www.teliacompany.com/en/about-the-company/public-policy/). Evaluation of the management approach of material aspects is the responsibility of the owner or function responsible for the specific material aspect, and is carried out mainly through internal reporting and assessment, including to Group Executive Manage-

ment and the Board of Directors. To understand how the management approach of material aspects connected to the Responsible business focus areas was evaluated and revised during 2017, see the respective chapter. The management approach of other material aspects was not significantly revised.

## ECONOMIC

### Economic performance

#### G4-EC1 Direct economic value generated and distributed

Telia Company provides network access, telecommunications and other services to our customers, we buy equipment to develop our networks and IT systems, and we purchase mobile handsets and other consumer electronics from our suppliers. We pay salaries, dividends and taxes that benefit our employees, local communities and national economies. These actions all generate monetary flows affecting our key stakeholder groups. For more information, see Our Company, section “Created value.”

Tax is an important sustainability issue, with high expectations from stakeholders. Telia Company is a responsible tax payer, paying the amount of taxes legally due in any territory, in accordance with local legislation and international accepted principles. We promote the importance of transparency and fair, ethical tax practices.

The table below lays out corporate income tax payments by country.

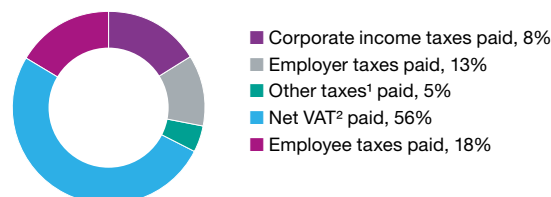
Income taxes paid SEK in millions	2017	2016	2015
Denmark	-2	0	0
Estonia	-	123	91
Finland	31	0	0
Latvia	30	27	23
Lithuania	28	38	37
Norway	27	12	264
Russia	41	90	82
Sweden	421	1,773	220
Turkey	138	4	438
Other countries <sup>1</sup>	-4	11	68
<b>Total, continuing operations</b>	<b>710</b>	<b>2,078</b>	<b>1,223</b>
Azerbaijan	515	416	410
Georgia	0	-10	0
Kazakhstan	114	268	685
Moldova	-	-	-
Nepal <sup>1</sup>	-	453	661
Tajikistan <sup>2</sup>	25	73	136
Uzbekistan	-	0	6
Other countries	60	97	45
<b>Total, discontinued operations</b>	<b>714</b>	<b>1,297</b>	<b>1,943</b>
<b>Total</b>	<b>1,424</b>	<b>3,375</b>	<b>3,166</b>

1) Operations in Nepal were divested in 2016

2) Operations in Tajikistan were divested in 2017.

In addition to corporate income tax payments, Telia Company generates billions of SEK in other tax payments throughout our footprint. The total tax contribution, including both taxes borne and taxes collected, amounted to SEK 18 billion in 2017. This includes both continued and discontinued operations, the first accounting for 85 percent of the total tax contribution. The chart below shows the total tax contribution by tax category.

#### TOTAL TAX CONTRIBUTION



1) Other taxes includes e.g. environmental taxes, property taxes and telecommunication taxes. Other taxes paid, or Total tax contribution as such, does not include customs duties and licenses.

2) If a Telia Company entity was in a recovery position regarding VAT, this has reduced the total amount of net VAT paid. The net VAT paid, or the total tax contribution as such, does not capture our irrecoverable VAT.

#### G4-EC2 Financial implications and other risks and opportunities due to climate change

See our Carbon Disclosure Project Climate Change Response at [www.cdp.net](http://www.cdp.net).

### Indirect economic impacts

#### G4-EC8 Significant indirect economic impacts

See G4-EC1 and Our Company, section “Value created.”

*Omission: we are unable to completely quantify or report on our indirect economic impacts.*

## ENVIRONMENT

### Energy

See G4-23 for more information about scope. All scope 1 energy except solar energy is non-renewable. Part of scope 2 energy is renewable, see Directors’ Report, section “Environmental responsibility” for more information. Leased assets are generally considered scope 1 and scope 2.

#### G4-EN3 Energy consumption within the organization

Direct energy consumption, GWh	2017	2016	2015
Continuing operations	29	30	31
Discontinued operations	79	104	161
<b>Direct energy consumption, total</b>	<b>108</b>	<b>134</b>	<b>192</b>

The Discontinued operations figure includes 1 GWh renewable energy generated by solar powered base stations in

Ucell in Uzbekistan. Direct energy consumption consists mainly of diesel and gasoline for back-up generators and for company cars. The comparatively large figure for Discontinued operations reflects the need for back-up generator power where or when access to grid electricity is limited or unavailable.

Indirect energy consumption, GWh	2017	2016	2015
Continuing operations	1,063	1,037	1,114
Discontinued operations	375	401	419
<b>Indirect energy consumption, total</b>	<b>1,438</b>	<b>1,438</b>	<b>1,533</b>

The major share of indirect energy (electricity, district heating and district cooling) is consumed by base stations and data centers. The figures also include offices, stores and other locations such as warehouses.

*Omission: we are unable to specify energy used for cooling and heating of network equipment.*

#### G4-EN5 Energy intensity

See Directors' Report, section "Environmental responsibility."

#### G4-EN6 Reduction of energy consumption

Energy savings initiatives, mainly related to replacing older equipment at base stations and data centers, closing technical sites and various office energy efficiency programs accounted for reported savings of around 40 GWh in continuing operations.

### Emissions

See G4-23 and Energy for more information about scope. IEA, Defra and Nord Pool residual mix emission factors have been used as a basis for calculating greenhouse gas (GHG) emissions. For scope 2 emissions, the following applies:

- Emissions from electricity consumption in the Nordics and Baltics have been calculated using market based emission factors.
- All other emissions have been calculated using location based emission factors.

Emissions are reported as CO<sub>2</sub>e as we estimate that the difference between CO<sub>2</sub> and CO<sub>2</sub>e is negligible.

#### G4-EN15-16 Direct and indirect greenhouse gas emissions (scope 1 and scope 2)

Greenhouse gas emissions, ktons CO <sub>2</sub> e	2017	2016	2015
<b>Direct emissions (scope 1)</b>			
Continuing operations	7	8	8
Discontinued operations	19	25	40
<b>Direct emissions, total</b>	<b>26</b>	<b>33</b>	<b>48</b>
<b>Indirect emissions (scope 2)</b>			
Continuing operations	75	78	122
Discontinued operations	168	176	167
<b>Indirect emissions, total</b>	<b>243</b>	<b>254</b>	<b>289</b>
<b>Direct and indirect emissions, total</b>	<b>269</b>	<b>287</b>	<b>337</b>

#### G4-EN17 Other indirect greenhouse gas emissions (scope 3)

Greenhouse gas emissions, ktons CO <sub>2</sub> e	2017	2016	2015
Continuing operations	6	7	9
Discontinued operations	3	2	3
<b>Other indirect emissions from business travel, total</b>	<b>9</b>	<b>9</b>	<b>12</b>

A significant share of the total emissions generated in our value chain is generated at suppliers' operations. Correctly calculating these emissions across all markets is challenging as data is often lacking or of low quality. Therefore we only report business travel emissions.

#### G4-EN18 Greenhouse gas emissions intensity

See Directors' Report, section "Environmental responsibility."

#### G4-EN19 Reduction of greenhouse gas emissions

See Directors' Report, section "Environmental responsibility."

### Effluents and waste

#### G4-EN23 Total weight of waste by type and disposal method

Dismantled telephone poles, ktons	2017	2016	2015
Sweden	7	5	6
Finland	1	1	4
<b>Total</b>	<b>8</b>	<b>6</b>	<b>10</b>

Waste reporting covers only operations in Sweden and Finland, where we are confident in the data provided by waste handlers. To provide meaningful comparison between scopes and years, we limit waste reporting to include only dismantled telephone poles. These poles are considered hazardous waste and are mainly dismantled as part of the technology shift from fixed to mobile networks.

In addition, approximately 600 tons of electronic waste was reported. The accuracy of this figure is uncertain as much of this waste, generated mainly from replacing equipment at or decommissioning technical sites is handled by contractors. See also Directors' Report, section "Environmental responsibility."

*Omission: we are aware of the reporting gaps and continuously review how we can improve waste reporting.*

## Supplier environmental assessment

**G4-EN32** Percentage of new suppliers screened using environmental criteria

See Directors' Report, section "Responsible sourcing."

*Omission: we are unable to report separately on the percentage of new suppliers. As we develop our supplier assessment processes, this data might become available.*

## LABOR PRACTICES AND DECENT WORK

### Occupational health and safety

**G4-LA6** Injuries, absenteeism, and work-related fatalities

See also Directors' Report, section "Occupational health and safety."

	2017		2016	
	LTIF <sup>1</sup>	SAR <sup>2</sup> (%)	LTIF	SAR (%)
Continuing operations	0.36	2.5	0.42	2.6
Discontinued operations	0.00	1.5	0.10	1.5
<b>Total</b>	<b>0.30</b>	<b>2.4</b>	<b>0.36</b>	<b>2.4</b>

- 1) Total number of lost-time injuries per million possible working hours.
- 2) Total hours of sickness absence per possible working hours (full year average).

16 lost-time injuries were reported. Most injuries occurred at the regular workplace (e.g. in offices or shops) or in traffic. There have been no fatal accidents involving Telia Company employees reported during 2015-2017.

*Omission: we do not consider reporting by gender relevant, as there are no differences in work tasks. We are working on developing supplier reporting, see Directors' Report, Responsible business, sections "Responsible sourcing" and "Occupational health and safety."*

## Training and education

**G4-LA11** Percentage of employees receiving regular performance and career development reviews

See Directors' Report, section "People", YouFirst.

## Supplier assessment for labor practices

**G4-LA14** Percentage of new suppliers screened using labor practices criteria

See Directors' Report, section "Responsible sourcing."

*Omission: we are unable to report separately on the percentage of new suppliers. As we develop our supplier assessment processes, this data might become available.*

## Labor practices grievance mechanisms

**G4-LA16** Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms

See Corporate Governance, section "Enterprise risk management (ERM) framework", Whistle-blowing process.

## HUMAN RIGHTS

### Investment

**G4-HR1** Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening

Significant investment agreements did not include human rights clauses.

**G4-HR2** Employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations

Training related to human rights was mainly carried out within anti-bribery and corruption and children's rights. See Directors' Report, sections "Anti-bribery and corruption" and "Children's rights" for more information.

*Omission: we do not track the amount of hours spent on training.*

## Non-discrimination

### **G4-HR3** Total number of incidents of discrimination and actions taken

17 cases of harassment or discrimination were handled by the Special Investigations Office. None of these resulted in dismissal.

## Freedom of association and collective bargaining; Child labor; Forced and compulsory labor

### **G4-HR4-6** Operations and suppliers identified with significant risks regarding the right to exercise freedom of association and collective bargaining, child labor and forced and compulsory labor

See Directors' Report, sections "Responsible sourcing" and "Risks and uncertainties", Responsible sourcing, "UK Modern Slavery Act statement" and G4-12. We generally consider these risks small in Telia Company's own operations, but bigger in parts of the supply chain.

## Supplier human rights assessment

### **G4-HR10** Percentage of new suppliers that were screened using human rights criteria

See Directors' Report, section "Responsible sourcing."

*Omission: we are unable to report separately on the percentage of new suppliers. As we develop our supplier assessment processes, this data might become available.*

## Human rights grievance mechanisms

### **G4-HR12** Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms

See Corporate Governance, section "Enterprise risk management (ERM) framework", Whistle-blowing process.

## SOCIETY

### Local communities

#### **G4-SO1** Local community engagement

See Directors' Report, section "People" for more information about the Younite employee volunteering program.

*Omission: we do not carry out local impact assessments. We aim to develop a more comprehensive approach to assessing the positive and negative impacts of our operations.*

## Anti-corruption

### **G4-SO3** Number and percentage of operations assessed for risks related to corruption and the significant risks identified

See Directors' Report, sections "Anti-bribery and corruption" and "Risks and uncertainties", Corruption and unethical business practices.

### **G4-SO4** Communication and training on anti-corruption policies and procedures

See Directors' Report, sections "Anti-bribery and corruption" and "Responsible sourcing."

*Omission: We are unable to provide more accurate statistics than those provided in the above sections.*

### **G4-SO5** Confirmed incidents of corruption and actions taken

See Directors' Report, section "Anti-bribery and corruption," Corporate Governance, section "Enterprise risk management (ERM) framework", Whistle-blowing process and G4-SO8.

## Anti-competitive behavior

### **G4-SO7** Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes

See Note C29 to the consolidated financial statements.

## Compliance

### **G4-SO8** Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations

See Note C29 to the consolidated financial statements.

## PRODUCT RESPONSIBILITY

### Product and service labeling

#### **G4-PR5** Practices related to customer satisfaction, including results of surveys measuring customer satisfaction

See Directors' Report, section "Our customers", Net Promoter Score.

*Omission: Due to changes in how NPS is designed we cannot present comparable figures.*

## Customer privacy

**G4-PR8** Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data

During 2017 we significantly improved the structure of working with data breaches and losses of customer data as well as improved the training for relevant teams. We were able to confirm 105 cases in core markets. This is an increase since 2016 but we believe that the number of unreported cases is considerably reduced. Most cases related to human and system errors or failures which caused customer data to be viable for other customers or online, or customer data being sent to the wrong customer. In all reported cases local companies cooperated with national supervisory authorities to correct the inaccuracies.

Read more about our work with customer privacy in Directors' Report, section "Customer privacy."

*Omission: We are unable to provide reliable statistics for Discontinued operations.*

## TELECOMMUNICATIONS SECTOR SUPPLEMENT

### Health and safety

**IO4-6** Compliance with ICNIRP standards and guidelines related to radiofrequency emissions and Standard Absorption Rate of handsets and base stations

Our approach to electromagnetic fields (EMF) can be found in the group EMF policy available at [www.teliacompany.com/en/about-the-company/public-policy/](http://www.teliacompany.com/en/about-the-company/public-policy/).

## Access to telecommunication products and services

**PA1-2** Policies and practices to overcome barriers for access and use of telecommunications products and services

See Directors' Report, section "People" for more information about the Younite employee volunteering program.

**PA6** Programs to provide and maintain telecommunication products and services in emergency situations and disaster relief

While we do not have such programs, we are prepared to assist in rescue work and disaster relief following major emergencies and disasters.

## Access to content

**PA7** Policies and practices to manage human rights issues relating to access and use of telecommunications products and services

See Directors' Report, sections "Freedom of expression and surveillance privacy" and "Human rights."