Telenor TCFD Report

2021

telenor group

01 Introduction

We are currently in the so-called decade of climate action. The most recent assessment report from the Intergovernmental Panel on Climate Change (IPCC), the AR6, shows that to limit global warming to 1.5°C, the world must decarbonize all sectors of society and bring global greenhouse gases (GHG) emissions to net zero within 2050. According to the emission scenario aligned with the 1.5°C target, the SSP1-1.9 from AR6, the most rapid emission reductions need to occur at the beginning of the period between now and 2050.

Currently, the world is not aligned with a 1.5°C warming scenario and is in fact on a path toward 2.5°C-2.9°C warming. Some regions and countries are planning to reach the 1.5°C target, however, others have very modest climate plans, which are far from aligned with this target. This means that both transition risks from strict climate policies, as well as physical risks emerging from not curbing global GHG emissions sufficiently, must be assessed.

In addition to risks to safety, security and food supply of the global population, climate change also represents a financial risk to the global economy. With ever increasing focus on risks connected to ongoing climate change, investors, lenders, insurers, and other stakeholders are requiring companies to report on relevant climate risks and opportunities. Financial markets need clear, comprehensive, high-quality information on the impacts of climate change. This includes the risks and opportunities presented by rising temperatures, climate-related policy, and emerging technologies in our changing world.

A task force was set up by the Financial Stability Board (FSB) to provide recommendations on how such reporting should be structured. FSB is an international body that monitors and makes recommendations about the global financial system.
This task force, named the Task Force on Climate-related Financial Disclosures (TCFD), has produced a set of comprehensive recommendations to both increase and improve reporting of climate-related financial information. These recommendations are now widely followed and are akin to an international standard for reporting on climate risk. Telenor has decided to report climate risk following this framework.

At Telenor, we support the TCFD recommendations and are committed to reporting climate-related financial risks and opportunities. This publication is our first annual TCFD report.

02 Executive summary

The most material climate risks to Telenor are:

- Increased pricing of GHG emissions and consequent cost increases
- Cost increase and lack of availability of renewable electricity
- Physical risks from extreme weather events and chronic global warming effects

The most material climate opportunities to Telenor are:

- Increased demand for development of new services
- Evaluation as a climate resilient and prepared company
- Use of more efficient production and distribution processes

The impacts of transition risks are expected to be higher in Telenor's Nordic operations, while physical risk impacts are forecasted to be higher in the company's Asian operations.

Oversight of Telenor's Sustainability work rests with the Board, supported by the Sustainability and Compliance Committee (SCC). Group Executive Management (GEM) are responsible for the implementation of the strategy with execution within the field being the responsibility of the Chief People and Sustainability Officer (CPSO) and Chief Technology Officer (CTO) together with the associated functional teams at Group and Business Unit (BU) level. Climate is covered as a fixed agenda point in the SCC minimum twice annually and through deep dives when required.

The risks and opportunities were identified through an analysis based on three scenarios: Strong Mitigation Scenario (SMS), Delayed and Disorderly Scenario (DDS) and Business as Usual Scenario (BUS), broadly aligned with the "Low" (SSP1-2.6), "Intermediate" (SSP2-4.5) and "High" (SSP3-7.0) scenarios in IPCC's 6th Assessment Report.

To mitigate the identified transition risks, Telenor is working to reach its science-based emission reduction targets, including its scope 3 engagement target. Telenor's sustainability and procurement teams are working to secure access to renewable electricity with predictable costs and strong additionality where possible, by utilizing Power Purchase Agreements (PPAs). Efforts are also being made to incentivize suppliers to pursue science-based emission reduction targets of their own and the company's technology organization is continuously seeking to control energy costs through dedicated energy efficiency initiatives. To mitigate physical risks due to extreme weather events and chronic global warming effects, Telenor works to increase the resilience of its network infrastructure to prevent damage to equipment, and to limit outages. To capture identified opportunities globally, Telenor grows its Internet of Things (IoT) area through a dedicated company, Telenor Connexion.

Telenor is currently operationally tracking metrics related to climate mitigation and transition across scopes 1, 2 and 3 in line with the GHG protocol. The company's science-based targets, which were validated by the Science Based Targets initiative (SBTi) in 2021, define Telenor's emissions reductions for Scope 1 and 2 in line with a 1.5oC pathway and the supplier engagement requirements for Scope 3.

03 Governance

The role of the Board of Directors

The **Board of Directors** (Board) is responsible for overseeing the management of Telenor Group. The Board convenes nine times per year and is responsible for safeguarding the proper organisation of the business and shall supervise the day-to-day management and Telenor's business in general, including Sustainability and thereby climate-related topics. To do this, the Board annually approves Telenor's Strategic Action Plan as well as its associated budget. The Strategic Action Plan covers Responsible Business where climate is a key element. The Board also approves Telenor's Annual Report that includes the Sustainability Report containing the company's climate-related priorities, status and progress towards the company's science-based targets. This TCFD report is a supplement to the Annual Report.

The **Sustainability and Compliance Committee** (SCC) is a preparatory working committee of the Board that supports the Board in fulfilling its responsibilities to specifically address climate and environment, human rights, labour standards and anti-corruption. Climate is included as a fixed agenda point in the sustainability update in the SCC and through dedicated deep dives when required.

The **Risk and Audit Committee** (RAC) supports the Board in fulfilling the Board's responsibilities with respect to financial reporting, internal controls, internal and external audit, risk management and risk framework and is established in accordance with the requirements of Audit Committees in the Norwegian Public Limited Companies Act.

The **People and Governance Committee** (PGC) supports the Board in fulfilling the Board's responsibilities with respect to remuneration, among other areas.

Within the climate area, two operational Key Performance Indicators (KPI) are reported quarterly to the Board. They reflect progress towards the company's two science-based emission targets for Scope 1+2 and Scope 3 respectively. The company's CPSO and CTO are responsible at executive level for these KPIs. Telenor also plans to introduce a climate related KPI in the short-term incentive plan for Group Executive Management in 2023.

The role of Management

Climate and Environment is part of the sustainability responsibility of Telenor Group's **Chief People & Sustainability Officer** (CPSO) who has the policy responsibility for climate-related issues across all operations in Telenor Group including climate ambitions, strategy, overall measures/initiatives, and reporting. The execution of the company's strategies and plans within climate mitigation and adaptation is conducted by several functions and departments, such as the sustainability function, the operational and technical departments, the financial function as well as the purchasing organisation. The CTO heads several involved departments, the technical departments as well as the purchasing organisation.

The CPSO reports regularly on climate to the SCC. The CPSO chairs an internal Climate Sounding Board that receives regular updates from the Group Climate and Environment team about climate-related strategic issues, initiatives, and progress of relevance to Telenor Group. Material issues are raised and aligned with GEM and further reported to the SCC and Board when appropriate.

Risk management is an integral part of Telenor's Management Model. Group Enterprise Risk Management aggregates risks from the BUs, analyses these risks across the Telenor Group in a Group Risk Forum and presents Telenor's risks, responses, and process to GEM, the RAC and ultimately to the Board. The Board reviews Telenor's top risk picture twice per annum.

04 Strategy

Telenor updates its strategy annually, in the Strategic Action Plan. The strategy is based on three strategic pillars, one of which is Responsible Business. Climate-related ambitions, targets, and plans, as well as risks and opportunities, are addressed and managed under the company's Responsible Business agenda. The company assesses climate risks in three time-horizons: short (until 2025), medium (until 2030) and long (until 2050), in line with the scenario recommendations of the TCFD. Climate risk assessment uses longer-term horizons since several of the climate risks have the most severe potential effects toward the end of the long-term horizon and worsen after that. This approach differs from other risks that are typically assessed in a three-year horizon aligned with Telenor's Group Action Plan.

Scenario Analysis

Telenor has developed three distinct scenarios for its climate risk assessment. The scenarios roughly correspond to public domain scenarios from IPCC and the International Energy Agency (IEA), as follows:

Telenor Scenario	IPCC 6th Assessment Report	IPCC - Warming by 2100 (best estimate)	IEA Scenario
Strong Mitigation Scenario (SMS)	SSP1-2.6 "Low"	1.3-2.4°C (1.8°C)	SDS (Sustainable Development Scenario)
Delayed and Disorderly Scenario (DDS)	SSP2-4.5 "Intermediate"	2.1-3.5°C (2.7°C)	STEPS (Stated Policies Scenario)
Business as Usual Scenario (BUS)	SSP3-7.0 "High"	2.6-4.6°C (3.6°C)	(Discontinued CPS – Current Policies Scenario)

Strong mitigation scenario (below 2 °C) - SMS

In this scenario, the world is able to regulate GHG emissions so that at best estimate, global warming does not exceed 2 degrees and net zero CO2 emissions are achieved in the second half of the century. The mitigation pattern is roughly equivalent to the "Low" SSP1-2.6 scenario from IPCC's 6th Assessment Report. The primary risk to Telenor in this scenario is transitional and comes from policy change, as goods and services, including energy, becomes more expensive due to increased pricing of GHG emissions.

Delayed and disorderly scenario - DDS

The physical damage from climate change is more severe in this scenario and the mitigation/transition is disorderly, as the global community adapts to a changing world. The emission profile in this scenario is roughly equivalent to the "Intermediate" SSP2-4.5 scenario from IPCC's 6th Assessment Report. The transition risks to Telenor in this scenario are less severe than in SMS. However, the physical risks and adaptation impacts are more severe, especially toward the end of the long-term horizon.

Business as usual scenario - BUS

In this scenario, global emissions of GHGs continue to rise at approximately current levels. The pace and severity of global warming increase significantly. In this scenario, there are significantly less stringent policies put into effect worldwide. The emission profile in this

scenario is roughly equivalent to the "High" SSP3-7.0 scenario from IPCC's 6th Assessment Report. The primary risk to Telenor in this scenario comes from accelerating severity of acute and chronic physical risks of climate change, as extreme weather, sea level rise, and temperature rise all have increasingly severe effects in the long-term.

Climate-Related Risks and Opportunities

The most material climate risks to Telenor are:

- Increased pricing of GHG emissions and consequent cost increases
- Cost increase and lack of availability of renewable electricity
- Physical risks from extreme weather events and chronic global warming effects

The most material climate opportunities to Telenor are:

- Increased demand for development of new services
- Evaluation as a climate resilient and prepared company
- Use of more efficient production and distribution processes

The TCFD risk assessment also includes additional risks, as outlined below.

The impacts of transition risks are expected to be higher in Telenor's Nordic operations, while physical risk impacts are forecasted to be higher in the company's Asian operations.

Transition risks are mostly due to increased direct and indirect costs due to carbon pricing and the cost of renewable electricity. Physical risks are mostly related to costs and lost revenue due to network outages caused by higher intensity in extreme weather events. Opportunities primarily reflect an expected growth of IoT and Artificial Intelligence (AI)-related revenues and energy efficiency measures, partially offset for additional investments required for increased network robustness and availability for business-critical communication services. It should be noted that estimating business impacts from climate change is inherently difficult, and there are large uncertainties in such estimates.

Risks in this assessment are categorized into two categories, as outlined by the TCFD:

- **Transition risks**, caused by the world's transition to a low-carbon economy as a result of carbon regulation changes, and
- **Physical risks**, caused by a changing climate

Telenor has operations across the Nordics and in Asia. The following table represents a summary of the assessment of the **severity** of the identified climate risks for medium (by 2030) and long (by 2050) term. It is based on Telenor's own evaluations supported by external sources where available, such as regional prognosis from IPCC Working Group I Interactive Atlas, IPCC Regional Fact Sheets and country specific CDP's City Hazards and Adaptation inputs collected regularly from local authorities.

Scenario	Time Horizon	Nordics		Asia	
		Transition risk	**Physical risk**	**Transition risk**	**Physical risk**
Strong mitigation scenario (SMS)	2030	High	Low	Medium	Medium
	2050	Medium	Medium	High	High
Delayed and disorderly scenario (DDS)	2030	Medium	Low	Low	Medium
	2050	Medium	High	High	High
Business as usual scenario (BUS)	2030	Low	Low	Low	High
	2050	Low	High	Low	Very High

Note: The severity designations and time horizons are different from Telenor's regular risk designation matrix, and the levels in this diagram should be read as relative severity levels.

In general, transition risks are expected to emerge earlier in the Nordics than in Asia. Physical risks are forecasted to have higher impacts in Asia.

Transition risks

A. Policy and Legal Risks

The policy and legal risks are especially relevant in SMS, partially relevant in DDS, and less relevant in BUS. In SMS, climate change will be less severe, but there will be stringent climate policies at the national and international level.

TR1: Increased pricing of GHG emissions, and consequent cost increases

In SMS, governments will implement stringent climate policies, such as cap and trade systems as well as carbon taxes. The European Union (EU) will increasingly limit the amount of available emission allowances in the Emissions Trading System (EU ETS). Governments in Asia will follow, modelled on systems in Europe, US, or China, but later than in the EU. As a result, the price of emission allowances will increase significantly, with the direct result of making electricity, fuels, and energy in general more expensive. There will be indirect and sustained cost increases on purchased goods and services, above historical average inflation rates. This is likely to be the most material cost increase for Telenor in SMS. Almost 80 per cent of Telenor's total emissions are scope 3 emissions, coming mainly from purchased goods and services. Telenor's suppliers will be impacted by increased energy costs in their value chains and will in part compensate by raising their prices.

Mitigation

To limit direct energy costs Telenor is in a process of securing access to renewable electricity at predictable costs through PPAs where such are available. Where not possible, Energy Attribute Certificates (EACs) will be used in the meantime, to ensure the company's global emissions are reduced in line with the scope 1 and 2 science-based target. In parallel, Telenor's energy efficiency programme systematically implements a wide set of measures to limit energy consumption and emissions despite underlying traffic growth, including replacing diesel generators with solar solutions. The company actively works to reduce the most material scope 3 emissions both directly and through industry collaboration and to influence suppliers to reduce their carbon footprint which would limit the company suppliers' risk exposure to climate policy inflation effects.

TR2: Mandates on and regulation of telco products and services

Governments (especially the EU Commission) might mandate a certain emission intensity of telecommunications services. This could be connected to the development of the EU Taxonomy. In addition, in Europe, a Product Environmental Footprint (PEF) category, or similar product mandate, could be defined for telecommunications services. In the EU, companies not deemed to be aligned with the forthcoming Taxonomy criteria risk being excluded from Environmental, Social, Governance (ESG) focused mutual funds. Also, access to green bonds may be lower when deemed to be non-aligned to the taxonomy. In addition, companies may face reputational risk if deemed to perform worse than peers on GHG emission reductions.

Mitigation

Telenor is mitigating this risk by decarbonizing its operations and supply chain in line with its science-based targets.

B. Technology Risk

Technology Risk is relevant in all three scenarios. In SMS, this transition risk is relevant due to technological disruption occurring as a result of the world economy adjusting to higher prices of GHG emissions, fossil fuel and energy, whilst in BUS, there are technology risks associated with e.g., limited availability of renewable power suppliers.

TR3: Cost increase and lack of availability of renewable electricity

In SMS, there is a risk that Telenor will meet a supply/demand squeeze (lack of availability and higher prices) of renewable electricity generation, both in Asia and the Nordics. In this scenario, companies and customers are more climate aware, and are putting pressure on all suppliers of goods and services to reduce their carbon footprint. This results in high demand for renewable electricity, which could outstrip supply. This demand vs supply balance has increased considerably during 2021, particularly in the Nordics. This imbalance will also be exacerbated by ongoing supply chain squeezes, such as rare earth minerals for wind turbines and batteries, or general electronic chips. There will be a risk of Telenor not meeting its emission targets and eventually risking reputational damage due to being perceived as a poor performer relative to its peers, or alternatively, having cost increases on the purchase of renewable electricity.

Mitigation

Telenor is currently in sourcing processes for renewable electricity both in Asia and the Nordics. To preserve strong additionality (ensuring that sourcing processes contribute to the construction of new renewable electricity capacity), Telenor has a clear preference of PPAs over unbundled EACs. However, EACs often play a role even in PPA contracts. Due to regulatory constraints, EACs generally have higher availability, especially in Asia, compared to PPAs. In addition to securing access to renewable electricity at acceptable cost, energy efficiency improvements will continue to be a crucial mitigation to limit cost increases for energy consumption.

C. Market Risk

TR4: Demographic shifts due to physical damage from climate change

Particularly in BUS, damages from physical effects of climate change will be significantly higher than in SMS. This is especially relevant in the long-term perspective. In countries that have high physical climate risk vulnerability, such as Bangladesh, climate change may lead to demographic changes in the country, such as people moving away from areas prone to typhoons, sea level rise, flooding, soil salinization, droughts and heatwaves, and other physical risks. With population shifts like these, lifetime revenues from investments in long lived infrastructure assets like telco towers will be negatively affected. Demographic shifts are also highly likely to increase the level of conflict on a national and regional level, exacerbate migration and poverty. In BUS, this risk will worsen with time.

Mitigation

Mitigation of this risk involves a more detailed evaluation of the risk and planning for possible demographic shifts and increased conflict in markets particularly vulnerable to climate change.

D. Reputation Risk

TR5: Shifts in consumer preferences

Under the SMS and BUS scenarios, consumers avoid providers of goods and services with perceived inferior environmental credentials. Companies that are deemed to not take climate responsibility will likely be penalized by customers leaving for other suppliers. Given Telenor's footprint in Asia, where availability to renewable electricity may remain very limited mid-term for both Telenor and local suppliers, Telenor may not be able to meet the emissions reductions required through its science-based target. This could potentially cause a loss of reputation with customers and investors. This also applies to the company's scope 3 engagement target. Telenor may fail to reach this target, as some important suppliers will not be able or willing to set their own science-based targets. Adoption of science-based targets is expected to be delayed among suppliers based in Asia compared to suppliers based in Europe or North America.

Mitigation

Telenor ismitigating this risk by decarbonizing its operations and supply chain in line with its science-based targets, by prioritizing reductions in the most material scope 1 and 2 emissions and proactive engagement with the largest suppliers by spend.

Physical risks

Physical risks due to climate change can be divided in two categories:

- **Acute** risks: Extreme weather events, including tropical cyclones (hurricanes and typhoons), flooding, wildfire, drought periods, and heatwaves.
- **Chronic** risks: Long-term changes in climate and weather patterns, including changing levels of precipitation, mean temperatures, and sea level rise.

All physical risks will increase significantly in DDS and especially BUS, compared to SMS, and significantly more long-term compared to short- and medium- term.

A. Acute physical risk

Increased frequency and severity of extreme weather events

Tropical typhoons with strong winds are a current risk in the Asian markets Telenor operates in, and especially in Bangladesh. With increased global warming, tropical typhoons will become more intense, and may occur more often. Flooding will occur more frequently and severely with increased global warming. There will be floods due to increased precipitation and due to storm surges, that are regularly combined with extreme precipitation. With more extreme weather comes more lightning strikes, which can damage equipment installed at base stations. Lightning strikes will also contribute negatively toward knocking out local electrical grids, increasing the frequency of blackouts and brownouts and the need for backup generation capacity. Such extreme weather events can damage Telenor's network equipment, mobile towers, power lines and fibre connections, and can thereby cause network outages that disrupt Telenor's communications services.

B. Chronic physical risk

Sea level rise

Among Telenor's markets, Bangladesh is especially vulnerable to rising sea levels. Displacement Solutions' estimates suggest that in Bangladesh, up to 18 million people may have to move because of sea level rise alone, and that the Government of Bangladesh has acknowledged that by 2050, one in every seven people in the country will be displaced by climate change. The Bangkok area in Thailand as well as some parts of southern Myanmar are also vulnerable.

Increased precipitation

Increased precipitation will lead to increased frequency and severity of flooding, flash floods and soil erosion. Increased precipitation will also increase the economic damage to buildings and infrastructure, as well as increased costs for maintenance and repair of Telenor equipment.

Increased temperature

With increased temperature as a chronic climate risk, comes the increased risk, frequency, and severity of dangerous heatwaves in Telenor's Asian markets. In addition, with increased temperature, costs will rise due to the increased need for cooling of electronics such as data centres.

Physical risks from extreme weather events and chronic global warming effects

All physical risks from climate change, as described above, both acute and chronic, are combined into a single risk, namely 'Physical risks' from extreme weather events and chronic global warming effects.

Mitigation

Telenor is mitigating these risks by maintaining local plans for extreme weather events and expects such efforts to increase. The plans combine proactive measures such as elevating, protecting or hardening towers, network equipment, power lines and network connectivity to each tower, catering for power outages using battery backups, ensuring access to spare parts, relevant insurance schemes where available, as well as reactive response plans to restore connectivity and reduce downtime after events.

Opportunities

A. Products and Services

O2: Increased demand for development of new services

Telecommunications companies may serve a positive role in enabling GHG emission reductions in other sectors. Examples are IoT technology and using systems of sensors to optimise external value chains (such as agriculture and transportation). The main opportunity impact is estimated to come from the growth in IoT-related revenues as digitisation of society and enterprises increases and enables energy efficiency and emission reduction across sectors. Telenor is well positioned to pursue this opportunity through its dedicated global IoT company Telenor Connexion, that has been named a leader in this area by Gartner a number of times.

B. Resilience

O3: Evaluation as a climate resilient and prepared company

Telenor may see increased market valuation through resilience planning and adoption of energy efficiency and renewable energy. Investors will increasingly seek companies that have sound plans for climate change mitigation and adaptation, and Telenor should be able to plan for resilience, and add comfort to said investors. Customers may prefer Telenor due to its strong reputation in this area, compared to alternative providers. Prospective employees will increasingly prefer employers that take climate responsibility. Finally, Telenor may have access to more beneficial bond financing and lower risk premiums on insurance, due being perceived and assessed as a climate resilient and prepared company.

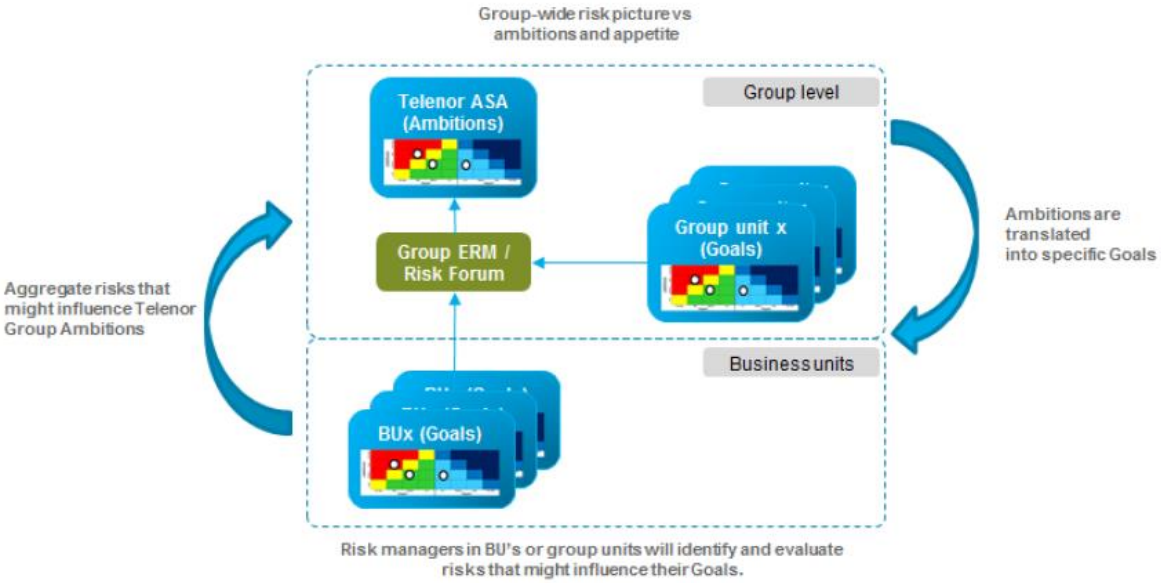
C. Efficiency

O4: Use of more efficient production and distribution processes

Telenor has initiated a group-wide initiative that focuses on energy efficiency improvements in network electricity usage, as this represents the dominant share of electricity consumption and electricity costs. Energy efficiency is one of the strategic focus areas in Telenor and it spans across: network equipment modernization, minimizing diesel generator running hours through cyclic use of batteries, renewable energy adoption, new technologies like AI-based radio network shutdown during low traffic to avoid unnecessary power consumption, collaboration with the equipment manufacturers and partners to develop energy efficient features, minimizing non-value adding electric loads, and the impact of 5G technology and joint innovation with relevant equipment vendors.

05 Climate risk management

Climate change related risks and opportunities are an integrated part of the BU risk management framework and part of the annual business strategy update. Risks are assessed at each individual country of operation (by each BU). In addition, Group Sustainability performs an annual top-down climate risk assessment, to make sure key climate change risks across BUs are captured and evaluated.



The main steps in the annual strategy planning process are:

- During the annual Strategy process, Telenor's ambitions are translated into specific goals for the BUs. BUs shall identify risks that may influence these goals and ambitions.
- Each BU and group unit form their risk picture which is linked to their specific goals.
- The top BU and top Group units' risk pictures is input to Telenor's group-wide risk picture which again is linked to Telenor's ambitions. The aggregated risk picture is prepared by Group Enterprise Risk Management (ERM) and quality assured in the Group Risk Forum, and then discussed in GEM before presented twice a year to the Risk and Audit Committee and the Board.

Climate risk assessment uses longer-term horizons (time to impact) as compared to the other risks that are typically assessed in a three-year horizon aligned with the Telenor Group's strategy process. Climate risks and opportunities are assessed through an annual deep dive exercise and the impacts are estimated based on a combination of internal best estimates as well as external information. Following the assessment, the mitigation actions are designed, followed up and reported.

06 Metrics and Targets

Please refer to Telenor Group's latest Sustainability report.

Risk Metrics

Within the climate domain Telenor is currently operationally tracking metrics related to climate mitigation and transition costs. Scope 1 and 2 related metrics include: energy consumption and cost, GHG emissions, share of renewable electricity, fuel consumptions for generators at base stations and GHG emissions intensity for network data traffic. Scope 3 related metrics primarily address the most material upstream emissions from suppliers, but also downstream emissions related to sold products.

GHG Emissions

Formal Scope 1, Scope 2, and Scope 3 emissions are covered by Telenor's annual CDP and sustainability reporting on both Group and Business Unit levels, as well as per energy source.

Targets

Scope 1 and 2 targets:

The Nordic operations: Telenor's target for its Nordics operations is carbon-neutral business operations by 2030 (base year 2019), focusing on energy efficiency measures in network operations and purchasing renewable electricity by way of Power Purchase Agreements, coupled with Energy Attribute Certificates.

The Asian operations: Telenor's target for its Asian operations is 50 per cent reduction in GHG emissions by 2030 (base year 2019), focusing on substituting diesel generators with solar solutions at base stations and purchasing renewable electricity by way of Power Purchase Agreements, coupled with Energy Attribute Certificates.

Scope 3 target:

Telenor Group commits that 68% of its suppliers by spend covering Purchased Goods, Services and Capital Goods, will have science-based targets by 2025.

Reporting

There are two high priority climate related metrics that are reported quarterly to Group Executive Management and the Board: *Share of renewable electricity* and *Share of spend* to suppliers that have set science-based targets. These metrics are subject to Telenor Group's regular target-setting, reporting and risk management processes, for a limited set of so-called Operational Performance Indicators (OPIs). All OPI targets for the Group are approved annually by the Board based on the Group Action Plan's financial and operational ambitions for the 3-year rolling strategy period. These targets are cascaded to all BUs and progress is tracked and necessary issues raised in quarterly reporting cycles.