2023

Annual and sustainability report

Telia Company

Telia Company

We reinvent better connected living

Contents

Our Business

4. Comments from our CEO
6. Telia Company in brief
7. 2023 in review
9. Selected events 2023

Our Strategy

10. Trends
13. Strategy
14. Strategic priorities

Directors' Report

23. Group development
39. Country development
47. Risks

Corporate Governance

52. Corporate Governance Statement
66. Board of Directors
69. Group Executive Management

Sustainability

72. Sustainability report
107. Sustainability notes

Financials

137. Consolidated statements of comprehensive income
138. Consolidated statements of financial position
139. Consolidated statements of cash flows
140. Consolidated statements of changes in equity
141. Notes to consolidated financial statements
221. Parent company income statements
221. Parent company statements of comprehensive income
222. Parent company balance sheets
223. Parent company cash flow statements
224. Parent company statements of changes in shareholders' equity
225. Notes to parent company financial statements

Other

255. Board of Directors' and President's certification
256. Auditors' Report
260. Auditors' Limited Assurance Report
261. Five-year summary
264. Alternative performance measures
268. Definitions
270. Annual General Meeting 2024

The audited annual and consolidated accounts comprise pages 22–106 and parts of pages 116–123, and pages 136–255. The corporate governance statement examined by the auditors comprises pages 52–71.

The sustainability information reviewed by the auditors comprises pages 72–135, which also includes the statutory sustainability report on pages 72–106 as well as parts of pages 108–133. The statutory sustainability report is also part of the Board of Director's Report.

Comments from our CEO

It's all about execution

When I reflect on Telia's performance in 2023, the year before I joined the company, it makes me very excited about the future.

Having returned to revenue growth across its footprint in 2022, Telia converted this momentum into broad-based EBITDA growth in 2023, successfully mitigating macroeconomic challenges such as inflation through progressive pricing adjustments and focused cost reductions. The company also continued to invest in the transformation of its networks, innovation, processes and people, leading to good performance in mobile, fixed broadband, TV aggregation and enterprise services, while the Net Promoter Score increased in five of Telia's six markets.

At Telia, delivering sustainably isn't just about doing well in external sustainability benchmarks – it's about consistently delivering value for all of our stakeholders. To that end, in 2023 Telia also focused on improving capital allocation, and one of the ways the company did that was to initiate the sale of its operations and network assets in Denmark to Norlys, the country's largest integrated energy and telecommunications group. We expect the transaction to close shortly.

Telia's strategy is to focus on markets where there is a clear path to securing and defending the number one or two position. In April 2023, when the decision was first announced, Telia was the third operator in Denmark by revenue, fourth in mobile services and fifth in fixed services, so the sale made good strategic sense. The proceeds will enable us to further reduce our leverage ratio and capital allocation will remain a priority in 2024.

In our remaining markets, our focus is on providing our customers – who have a combined 18.6 million mobile subscriptions between them – with the best 5G experience. We achieved 89% 5G population coverage across our footprint by the end of the year – 82% in Sweden, more than 90% in Finland, almost 95% in Norway, more than 99% in Lithuania and 77% in Estonia.

In addition to providing customers with benefits such as significantly faster download and upload speeds, lower latency for gaming and improved reliability and coverage – even in crowded areas – 5G holds tremendous promise for industries. Therefore, in February 2023, Telia and Ericsson

announced the launch of the NorthStar program to give leading industrial companies in Sweden access to a 5G innovation network and the opportunity to explore the latest 5G technologies. In Finland, Telia and Nokia launched the Sirius 5G Standalone application innovation program, which should increase our ability to rapidly roll out and monetize 5G network services.

In September, Telia secured important spectrum for continued expansion of its mobile network in Sweden in the 900 MHz, 2.1 GHz and 2.6 GHz bands. The spectrum will be used to improve the coverage and capacity of Telia's 4G and 5G network, including in rural areas with insufficient coverage and along high-traffic railway lines. The licenses are valid for between 23 and 25 years, so in Sweden we have made a good investment in our future – and at a reasonable price.

As an operator, it goes without saying that our networks are our most important assets, so I was very happy to see that, for the fourth year in a row, the independent benchmarking organization umlaut identified Telia's mobile network as the best in Sweden. In the extensive tests, Telia received a total of 968 points out of a possible 1,000 – one of the highest scores awarded by umlaut globally.

Of course, we do have offerings that extend beyond our networks, in areas such as cloud, security and the Internet of Things (IoT). We have partnered with hyperscalers to create the Telia Cloud Academy to upskill our employees, and we offer a comprehensive portfolio of cloud connectivity, cloud security and data center solutions. Our IoT solutions are popular with public transportation operators, property owners and utility companies, and enterprise non-connectivity revenue increased by 11% year-over-year in 2023.

TV and Media proved to be a bit more challenging and, last year, declining revenue and a difficult advertising market prompted Telia to begin restructuring this business. As part of these efforts, the C More brand was retired and all TV4 and MTV content was made available from a single streaming service in Sweden and Finland respectively, with viewers being able to choose to watch content with or without advertising.

Across all of our businesses, our main objective is to inspire customers to choose Telia and simplify their connected living. At the beginning of this message, I wrote about how we are investing in our networks, innovation, processes and people – all of which will ultimately benefit our customers. You can read more about the details behind that elsewhere in this report, but one of the keys to winning and retaining customers that I want to touch on now is efficiency. To be able to deliver the best customer experience, Telia needs to continue to simplify its offering.

»At Telia, delivering sustainably isn't just about doing well in external sustainability benchmarks – it's about consistently delivering value for all of our stakeholders.«

Telia is addressing its inefficiencies and, by the end of the year, the company had retired more than 50% of its legacy products and about 60% of its legacy platforms that it identified as being obsolete. Artificial intelligence (AI) and robotic process automation are also improving efficiency, reducing costs and enhancing customer experience, and in 2023 their use saved an estimated 300,000 hours, giving our employees time to focus on more strategic work.

Last but not least, none of this will matter if we don't find a way to make our business more sustainable. So, I'm proud that, for the 13th year in a row, Swedes who participated in the Sustainable Brand Index survey recognized Telia as the most sustainable company in its industry. Our net-zero targets were approved by the Science Based Targets initiative and Telia was also ranked first in the global Technology & Telecommunications sector and second overall among all companies assessed in Global Child Forum's Children's Rights Benchmark.

Clearly, I have joined Telia at a very exciting time. In business, as in sport, I believe it isn't enough just to have the best strategy – you also have to execute. Here's to many years of excellent execution together.

Stockholm, March 19, 2024

Patrik Hofbauer
President and CEO

Telia Company in brief

Who we are

We are technology pioneers who have been digitalizing society for the past 170 years. Today, Telia is a Nordic and Baltic telecommunications leader and Nordic media house, serving consumers, businesses and public sector customers with essential digital infrastructure, ICT services and entertainment. Our 19,000 talented colleagues serve millions of customers with services that are fundamental enablers of the digital societies we live in, including more than 25 million mobile, broadband and TV subscriptions.

What we do

We are the hub in the digital ecosystem, connecting individuals, families, businesses, authorities and societies to the secure and reliable communication, ICT and entertainment services that enable and empower their lives. We have a deep social conscience that drives us to use our technology to be agents of improvement. We are constantly innovating to do better for our customers, ourselves, our owners and the societies of the Nordics and the Baltics.

Why we do it

We believe a secure and sustainably connected life is a better life. Everything we do is driven by our purpose to reinvent better connected living so that people can live fuller lives, businesses can work smarter, and society and the planet can flourish together.

We provide

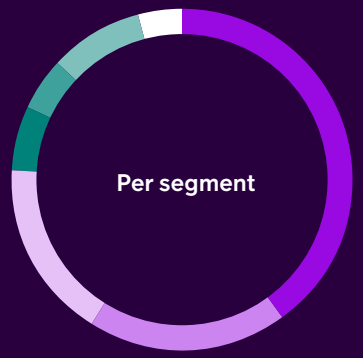
- Mobile voice and data
- TV and streaming
- Media advertising
- Value added services
- Fixed voice and data
- ICT Services
- Devices

Our markets and brands

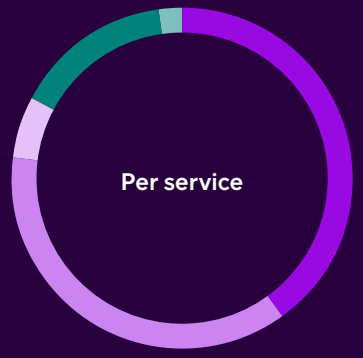
	Position		
Sweden Telia, Telia Cygate, TV4, Halebop, Fello	#1	#1	#2
Finland Telia, Telia Cygate, MTV	#2	#3	#3
Norway Telia, Telia Cygate, Phonero, OneCall, MyCall	#2	#3	#3
Lithuania Telia, Ezys	#2	#1	#1
Estonia Telia, Diil, Super	#1	#1	#1
Latvia LMT	#1		

Denmark classified as discontinued operations from Q3 2023.

Revenue 2023: 88.8 SEK billion



Sweden	40%	Lithuania	6%
Finland	19%	Estonia	5%
Norway	17%	TV and Media	9%
		Other	4%



Mobile	40%	Equipment	15%
Fixed	37%	Other	2%
Advertising	6%		

Financial and operational highlights 2023

75.9
(73.0) Service revenue (SEK billion)

6.7
(5.1) Operational free cash flow (SEK billion)

2.00
(2.00) Dividend* (SEK/share)

* Proposal to AGM

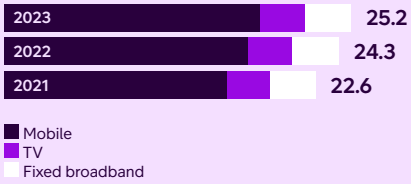
2.32
(2.35) Leverage (ratio)

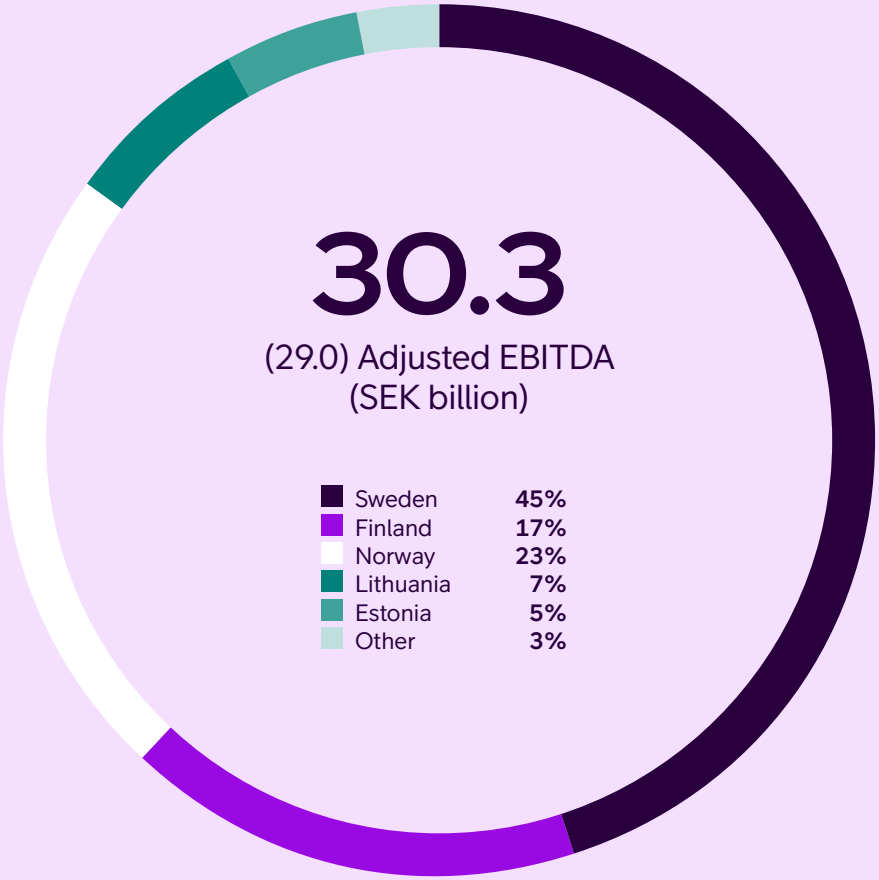
18.6
(17.7) Mobile subscriptions (million)

3.2
(3.2) Fixed broadband subscriptions (million)

3.4
(3.4) TV subscriptions (million)

Subscriptions (million)





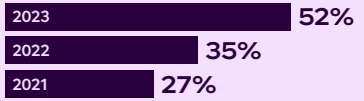
Sustainability highlights 2023

87%

reduction of CO_2e emissions in own operations since 2018

52%

of supply chain emissions from purchased goods and services and capital goods covered by science-based targets

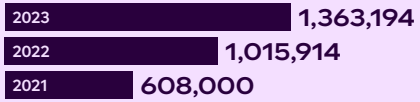


41%

female leaders in the extended leadership team

1,363,194

individuals reached through digital inclusion initiatives since 2021



77/100

in employee engagement score

Selected events 2023

5G leadership continues

Telia continued to lead the 5G rollout in the Nordics and Baltics and achieved population coverage of 90%, compared to 70% at the end of last year.

Fifth most valuable brand in Sweden

Telia was ranked fifth in the inaugural Kantar BrandZ Top 30 Most Valuable Swedish Brands 2023 ranking, with a brand value of USD 3.6 billion.

NorthStar program launched

Telia and Ericsson launched the NorthStar program to help Sweden's leading industrial companies reinvent better connected business by accelerating the adoption of 5G.

Telia Norway welcomes Fjordkraft on to its network

Fjordkraft customers were migrated to Telia Norway's award-winning network, strengthening Telia's position as the largest mobile wholesale provider in the country.

Telia Lithuania supports NATO summit

Telia Lithuania was the sole provider of IT and connectivity services for the NATO summit in Vilnius and received formal recognition from the White House for its excellent delivery.

Favorable outcome for Telia in Sweden's spectrum auction

Telia acquired spectrum in the 900MHz, 2.1GHz and 2.6GHz bands, securing the leading spectrum position in Sweden.

Telia Finland receives awards for best network quality

In addition to rolling out 5G at a high pace, Telia Finland also made significant progress on its overall network quality. As a result, Telia Finland received awards for best network quality and came out almost on par with the market leader in a network perception study performed by Ipsos.

Telia's mobile network remains the best in Sweden

For the fourth year in a row, Telia Sweden's mobile network was the winner in the benchmark conducted by umlaut, taking first place in all three categories: voice, data and crowdsourcing.

Ranked first in Children's Rights Benchmark

Telia Company was ranked first in the global Technology & Telecommunications sector in Global Child Forum's Children's Rights Benchmark, which aims to track progress on how businesses address children's rights.

Net-zero targets approved

Telia Company's targets set with the overall aim of achieving net-zero greenhouse gas emissions across its value chain by 2040 were approved by the Science Based Targets initiative (SBTi).

Sustainability is an integral aspect of Telia's brand

For the thirteenth year in a row, Swedes ranked Telia as the most sustainable telco brand in the annual Sustainable Brand Index survey. Telia was also ranked second in the FT Europe's Climate Leaders 2023 list.

Digitalizing TV4 & MTV

To better capitalize on the trend of growing digital consumption and to ensure an improved experience for both viewers and advertisers, the C More brand was retired and its programming was made available under the TV4 and MTV brands. Efficiency measures were also implemented.

Patrik Hofbauer appointed new CEO

Allison Kirkby decided to leave the company and was replaced by Patrik Hofbauer as Telia Company president and CEO in February 2024.

Sale of Telia Denmark

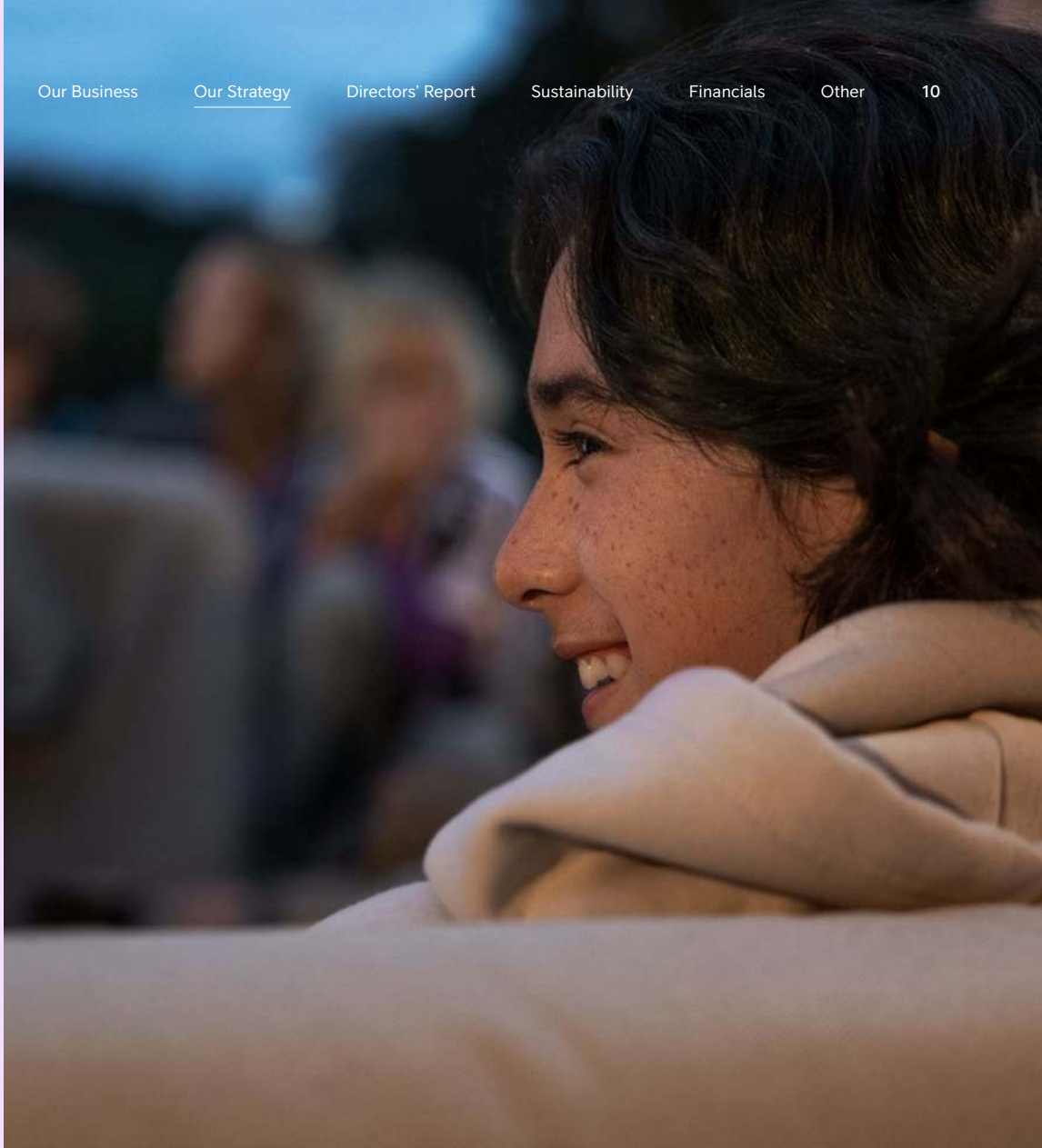
An agreement to sell Telia's operations and network assets in Denmark to Norlys was signed. Closing is expected in early April 2024.

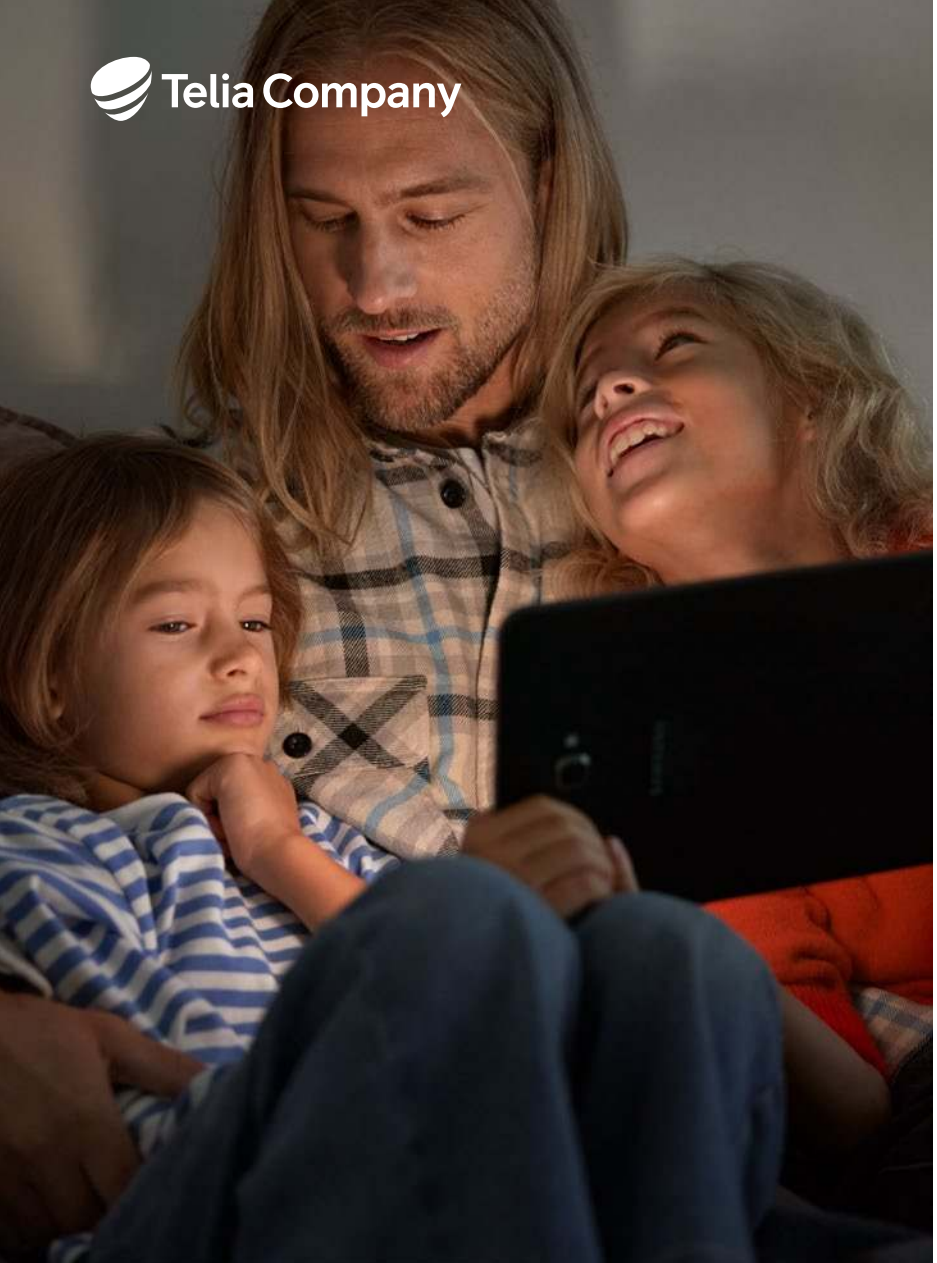
Trends

A world of connected opportunities

We observe three megatrends: Digitalization, De-globalization and Decarbonization. Digitalization enables better customer experiences and efficiency, while triggering new customer needs. Deglobalization places an emphasis on resilience and has implications for how we operate. Decarbonization is an imperative and we aim to drive and enable this shift.

In the following pages, we will dig deeper into the six subtrends that are most relevant for Telia.





01. Generative AI is gathering momentum

Generative AI had a breakthrough year in 2023, although we have probably just scratched the surface of its full potential. While AI is already used in areas such as customer service automation and improvement initiatives by Telia and other operators, generative AI is expected to lead to advances in all areas of the telecom business, including chatbot automation, marketing, software coding and network and operations automation. In the coming years, rapid development will likely lead to generative AI having a broader impact on how we work, operate and interact with customers.

There is ample opportunity for Telia to automate and optimize processes, and a growing need for the company to ensure it has the competence required to capture future opportunities enabled by AI.

02. Digitalization of operational technology is accelerating

Digitalization continues at a rapid pace, with Telia's corporate customers connecting a growing share of their business-critical equipment so that they can optimize and intelligently automate their processes. In many cases, wireless network connections offer significant advantages over wired solutions, and 5G was designed to provide robust and secure networking for all industries.

This trend is part of the broader movement towards modern operations incorporating the IoT, secure cloud-based solutions and increased leverage of AI.

This is a growth opportunity that is well aligned with Telia's IoT assets and B2B digitalization capabilities.

03. Sustainability is a business driver

The urgent need to take climate action is becoming more apparent every day, as people worldwide experience increasing numbers of floods, droughts, storms and wildfires resulting from climate change. Everyone on this planet is responsible for taking action to limit global warming to 1.5 degrees Celsius. The EU has announced multiple related regulations, including the Corporate Sustainability Reporting Directive (CSRD), which will require companies to be increasingly transparent about their transition plans and the progress they have made.

A growing number of Telia's customers now ask for advice on decarbonization and are eager to understand more about the company's net-zero targets. This is an opportunity for Telia to differentiate its business and grow, while helping to create a better world.

04. The need for trusted suppliers is increasing

Cyber threats are increasing in both number and sophistication, and governments, businesses and consumers frequently seek advice and solutions to counter these threats proactively. Potential solutions range from local autonomy on connectivity to intrusion protection and detection and network security. In each case, operators have an important role to play.

→ Telia has an opportunity to sustain and solidify its role as a trusted provider, thereby driving growth.

05. Geopolitical and economic uncertainty persists

The world has changed a lot in recent years and geopolitical tensions have increased, most notably as a result of the Russian invasion of Ukraine and the dispute between Taiwan and China. Supply chain disruptions, increasingly stringent national security measures and uncertainty are all side effects of the broader trend of deglobalization. In the economies in which Telia operates, inflation has surged, raising interest rates and other costs. While inflation generally cooled in 2023, gross domestic product growth has slowed.

→ Telia needs to double down on commercial excellence and continue its cost transformation journey to offset inflation headwinds and hedge for variations in demand.

06. Connectivity ecosystems are evolving

The telecom value chain is developing in several aspects. The InfraCo model – in which Telia has played an active role by bringing external minority investors into its TowerCo – is well established. Private mobile networks attract many non-telco players. Some players are also interested in offering low-Earth-orbit satellite services, addressing various niche communication needs.

→ Telia needs to maintain strategic control of its assets while leveraging partners and emerging business models to fund capital-intensive network expansion.

Reinventing a better Telia

We are executing on our strategy and have made great progress, including returning to growth, building leading 5G networks, simplifying operations materially, and improving the world around us through our sustainability efforts. The trends we observe support the strategic choices we have made, which is why we remain committed to the same strategic priorities and are focused on accelerating execution.

Our ambition is to make Telia better for our customers, our employees, our owners and the societies of the Nordics and the Baltics. We reaffirm our four strategic priorities that explain how our strategy will create value and a better future for all our stakeholders.

Inspiring customers
with brands and experiences that go beyond connectivity

Connecting everyone
through the most trusted, reliable and efficient modern networks

Transforming to digital
to be simpler, faster and data-driven with lower costs

Delivering sustainably
through an accountable and empowered organization

We reinvent better connected living

Through our...

- Digital connectivity
- Digital experiences
- Digital infrastructure

By excelling at...

- Inspiring customers
- Connecting everyone
- Transforming to digital
- Delivering sustainably

So that we have the...

- Most loyal customers
- Most engaged employees
- Most satisfied shareholders
- Most empowered societies

Read more about the four strategic priorities →

Inspiring customers

We work relentlessly to bring our customers better products and services to enable them to achieve, engage and experience more.

Providing seamless customer interactions...
...through frictionless customer-personalized touch-points and experiences across platforms

Catering for all household needs...
...with high-quality connectivity, user-centric devices and engaging media and entertainment offerings in the home and on the go

Being the preferred digitalization partner for businesses...
...by orchestrating services beyond connectivity, including cloud, IoT and security solutions as well as private networks dedicated to customers' specific needs

Innovating for the future...
...by putting sustainability at the center of product development to help businesses and societies solve pressing challenges such as climate change

Selected progress 2023

- Telia launched the Smart Connect cloud-based communication and switchboard solution in Sweden, Estonia and Lithuania
- Net Promoter Scores increased in five of Telia's six markets and, at the end of the year, were at the highest levels to date in three of Telia's six markets
- In a sign of good progress on B2B convergence, non-connectivity B2B revenues increased by >10% during the year
- Telia Norway expanded its IT portfolio by adding cloud, security and local area network offerings
- Telia Sweden enabled HD-voice quality external calls from Teams, becoming one of the first operators to do so
- All TV4 and MTV content was made available from a single streaming service in Sweden and Finland respectively, making it easier for customers to access
- Telia's digital TV service was ranked the best in Sweden in two separate consumer surveys
- Telia received recognition from Frost and Sullivan for its innovative, growing Unified Communication as a Service portfolio

Case: Inspiring customers

Nobody does TV better in Sweden

TV viewers in Sweden come from a variety of backgrounds and their diverse interests translate into different viewing preferences, but in two independent surveys most agreed on one thing: Telia provides the best digital TV experience.

In the survey of 1,600 viewers by Nordic Bench, which was presented in August, Telia was not only selected as the best TV operator but also as the TV operator that had improved the most. In fact, Telia was the only TV operator whose Net Promoter Score (NPS) – a metric that measures how likely customers are to recommend a company, product or service – improved. According to viewers, the areas in which Telia improved the most included the simplicity of its service, the purchase and registration experience, reliability and streaming. Areas in which Telia exceeded the performance of all other TV operators included the simplicity of its service, the purchase experience, broadcast quality and access via mobile devices.

The Swedish Quality Index (SKI) survey was published in October and ranked Telia first among seven digital TV operators, for the 8th time in the past 10 years. While other TV operators' scores decreased, Telia increased its score by an impressive 2.4 points to 61.4 out of 100, leaving it well ahead of its closest competitor.

As it does with all of its products and services, Telia works continuously to develop its TV offering to ensure it meets or even exceeds customer expectations. Recent improvements include a new program guide, the curation of content into a number of popular genres and an enhanced search function that makes it easier for viewers to find the content they are looking for. That's just as well, because Telia Play gives viewers access to a vast content library that aggregates Sweden's best news, sports, entertainment and films and series from providers such as Netflix, HBO Max, Viaplay and Telia's own TV4 media house.

Whether they're watching "Solsidan", ice hockey or soccer, Telia TV customers can choose to stream it on their mobile devices – including while they are on the move – or they can use a TV box that supports 4K/UltraHD resolution TV and high-dynamic-range video, with no lag. Either way, Telia always strives to offer the best packages of bundled content at a variety of different price points, with the option of including other services such as broadband Internet and mobile subscriptions. Recent market-share gains, the results of the Nordic Bench and SKI surveys and customer comments such as "The best selection on the market!" suggest that viewers really like what they see.

Connecting everyone

Connecting everyone over the most reliable and secure networks is imperative to deliver better and inclusive connected living.

Building and maintaining digital network leadership...
...through expanded reach, capacity and quality in high-speed fixed and 4G/5G mobile networks

Modernizing our networks...
...by retiring legacy and rolling out modern technology to introduce new functionality, improved reliability and operational efficiency

Driving digital inclusion...
...by providing access to reliable connectivity for all and empowering users with digital skills

Expanding and crystalizing infrastructure value...
...by partnering with strategic partners and investors who bring industry expertise and investment into our assets

Selected progress 2023

- Across its footprint, Telia's 5G population coverage increased to 89%
- By the end of the year, Telia had signed contracts for more than 70 Enterprise Mobile Network sites and more than 40 of them were operational
- Telia Sweden secured important spectrum for continued expansion of the mobile networks in the 900 MHz, 2.1 GHz and 2.6 GHz bands
- Telia's Global IoT Connectivity solution helped Ponsse to enable sustainable forestry around the globe
- Telia and Ericsson announced the launch of the NorthStar program to give leading industrial companies in Sweden access to a 5G innovation network
- Telia and Nokia agreed to launch the Sirius 5G Standalone application innovation program in Finland
- By the end of the year, Telia's digital skills initiatives, which aim to reduce the exclusion of seniors, children, immigrants and small and medium-sized enterprises, had reached 1.3 million individuals
- By the end of the year, Telia had closed down its 3G networks in Norway, Lithuania, Denmark and Estonia
- For the fourth year in a row, umlaut identified Telia's mobile network as the best in Sweden

The 2023 NATO Summit hosted in Vilnius, Lithuania, attracted global attention – including from hackers.

Case: Connecting everyone

Securing communications at the NATO summit

Taking place against the backdrop of the ongoing Russian invasion of Ukraine, the 2023 NATO Summit hosted in Lithuania on July 11 and 12 was a high-stakes event that reaffirmed the enduring transatlantic bond between Europe and North America, emphasizing the alliance's collective commitment to security and defense. As a trusted provider of critical infrastructure in the region, Telia's role at the summit was to demonstrate that same commitment to security and defense at the Lithuanian Exhibition and Congress Centre, where the company was entrusted with providing secure Internet connectivity.

Telia's preparations for the summit began in earnest six months in advance, with specialists setting up a dedicated network consisting of 150 kilometers of cable and 10 kilometers of optical fibers at the venue. During the summit, a team of 50 employees worked to provide 2,000 workstations with fixed Internet connections and 24/7 security via a network operations center.

Ahead of the summit, Telia had noted calls on several Telegram channels to launch cyberattacks against various Lithuanian state institutions and companies. While some of these cyberattacks succeeded in disrupting media websites, delegations from 48 countries and thousands of media representatives from around the world working at the Lithuanian Exhibition and Congress Centre remained unaffected.

To counter the threat posed by cyberattacks, Telia had installed six physical firewalls at the venue, as well as specialized anti-DDoS equipment and seven separate lines for the Internet connection. Communication network specialists monitored and analyzed everything from potentially malicious devices to other potential sources of internal and external attacks. Satellite communications were also available as a backup.

In addition to cyberattacks, the network at the summit venue also had to withstand a considerable load from its legitimate users. During the event, about 5,000 users used communication services and at peak times about 3,500 unique devices were connected to the network simultaneously. More than 1,000 journalists worked in the media hall on July 12 after the speeches made by the presidents of the United States and Ukraine, rushing to convey the news to the world as soon as possible. Nevertheless, the internet speed at the venue peaked at 3Gb/s at that time.

The event's organizers received praise for the speed of the Internet connection and Telia employees received commendations from the White House, but the company was most proud that it was able to thwart all of the cyberattacks. While Telia Lithuania had previously provided communications support for other high-profile events and routinely provides network solutions for the country's largest companies and organizations, the NATO summit was the real acid test.

Transforming to digital

We are transforming to digital to simplify operations, act faster and, ultimately, enable a better customer experience.

Simplifying and automating products and processes...
...to reduce complexity, utilize scale, and enhance quality

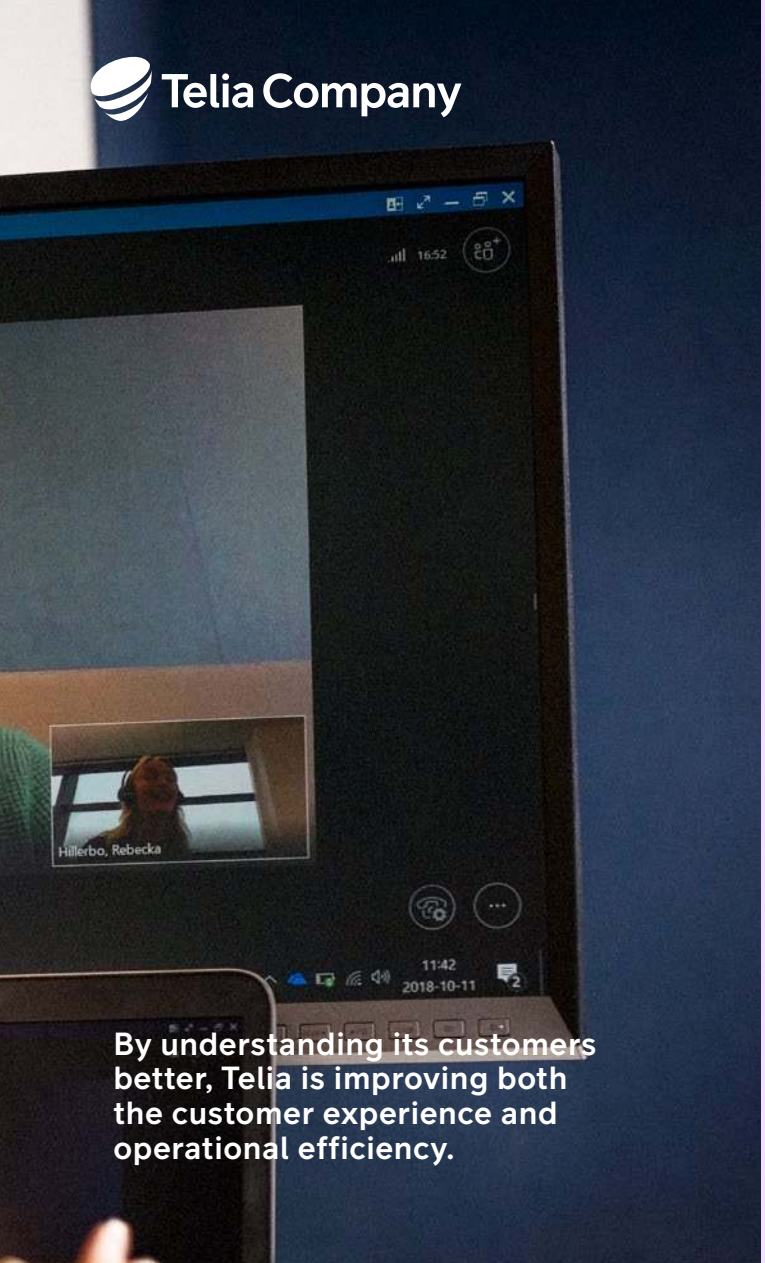
Leveraging analytics and data driven operations...
...in our decision making and in value proposition creating processes to improve customer personalization

Establishing business agile IT...
...by modernizing and standardizing our IT systems across the organization

Maintaining a privacy and security focus...
...at the core of all our work with our own and our customers' digitalization journeys

Selected progress 2023

- During the year, Telia retired another 20% of its legacy products and, by the end of the year, the company had retired 60% of the products it plans to retire by 2025
- Telia provided employees with generative AI tools such as Microsoft CoPilot for Office
- Telia's use of technologies such as AI, robotic process automation and chatbots saved an estimated 300,000 hours, increasing efficiency and reducing costs
- Telia Sweden's B2B transformation reduced the handling time for broadband activation by more than 99% (see the next page for details)
- By the end of the year, Telia had decommissioned 65% of its legacy IT systems to reduce complexity and costs and improve user experience
- During 2023, Telia increased the number of common products deployed in multiple countries by 43%
- By the end of the year, Telia had increased its use of common APIs across its markets by almost 30%, reducing complexity, increasing reusability and driving efficiency



By understanding its customers better, Telia is improving both the customer experience and operational efficiency.

Case: Transforming to digital

Reducing delivery times from days to minutes

Like any large company that has grown over a number of years as a result of numerous acquisitions, Telia has a complex set of IT solutions and processes. To ensure that it can efficiently produce, stock and deliver the products and services that its customers want to buy – in the right quantities – Telia Sweden took the decision to rebuild its B2B processes and IT solutions based on insights from customers and operational units. As a result, the company now has a model that it uses to describe customer and operational requirements and create a comprehensive map of the different paths that its customers take when they interact with it – from initial awareness to post-purchase support. This customer journey map helps Telia to understand its customers better and identify areas where it can improve both the customer experience and operational efficiency.

One of these pain points is that lead times are sometimes longer than customers would like. For example, in the past, it could take days for a customer that ordered a broadband connection to get online. Thanks to newly improved and automated processes, B2B customers that already have the requisite hardware can now get online in minutes. Those who need hardware to be delivered can usually get connected within 24 hours. The time it takes for Telia's agents to place orders on behalf of customers has been reduced from 40-45 minutes to just 8 minutes – or customers can do it themselves, online.

Additional improvements have resulted from the introduction of the Telia Order & Care Application (TOCA). This is the platform that is now used by Telia Sweden sales agents, account managers, customer care agents, retail store agents, resellers and home sale agents to handle broadband orders, provide support and service, and process payments. TOCA was built as a "system of experience", which is a holistic approach to designing and delivering experiences that are personalized, immersive and intelligent.

Because it combines capabilities from various domains into one tool, TOCA increases agent productivity by removing the need for them to switch between various systems. Other benefits include reduced cost, increased business agility and easier maintainability, thanks to the use of common, reusable, standardized capabilities. User adaptation to any new system is challenging, as is the migration of customers and agreements, but the feedback from TOCA users has been positive, with many of them saying that the system is easy to learn.

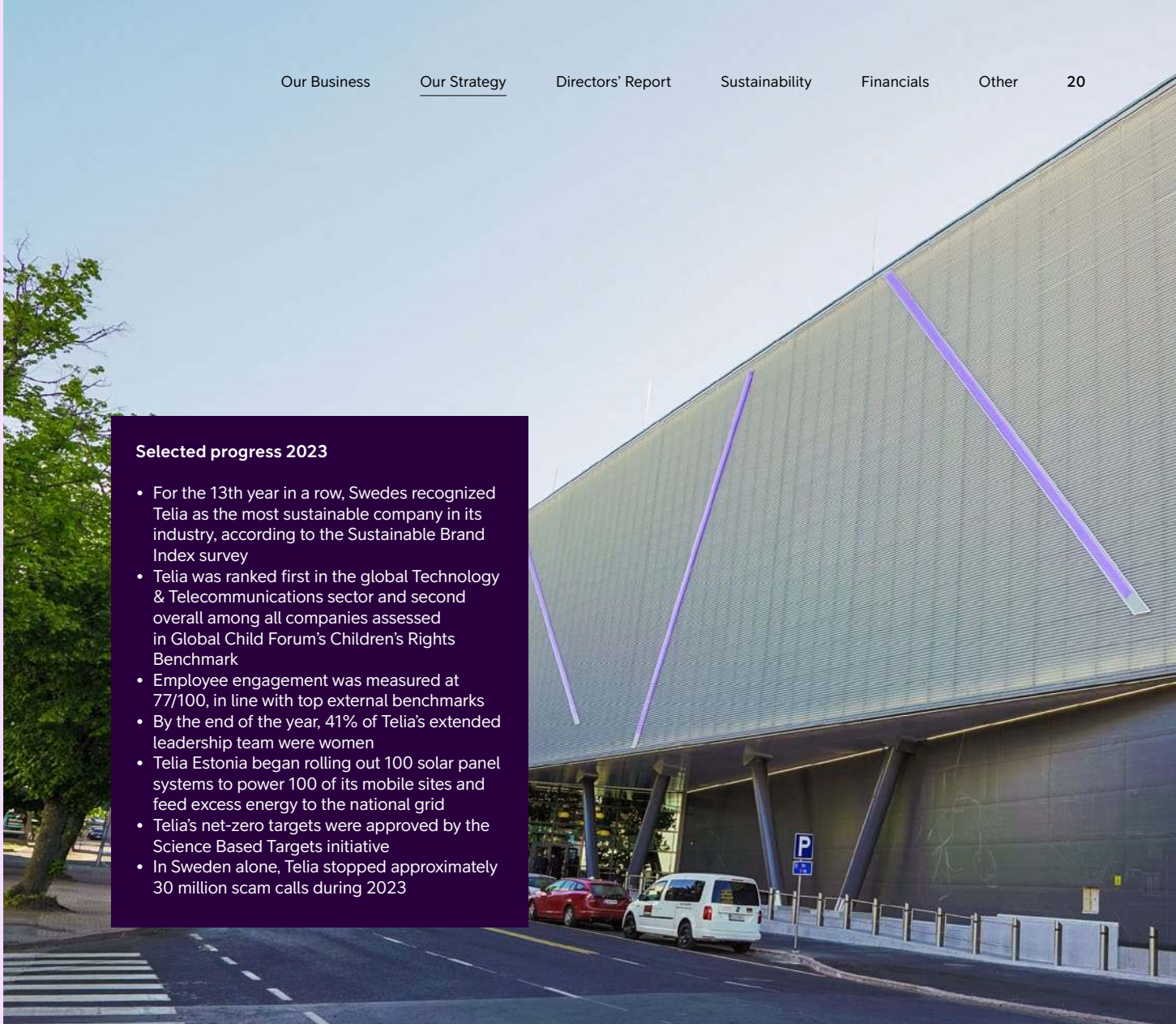
Delivering sustainably

Creating value for all stakeholders and society rests on being a financially, socially and environmentally resilient company – the essence of our commitment to deliver sustainably.

Ensuring financial stability...
...through a return to growth, transformation of our cost base to improve productivity, improved structural cashflow, a strengthened balance sheet, and enabling a predictable and progressive shareholder remuneration policy

Securing execution excellence...
...by empowering employees to deliver on our purpose within a culture that values diversity and inclusion while promoting accountability and development

Integrating sustainability...
...into all material processes and strategies guided by a strong ethics and human rights agenda to reduce risks and maximize our positive impact on people and the planet



Selected progress 2023

- For the 13th year in a row, Swedes recognized Telia as the most sustainable company in its industry, according to the Sustainable Brand Index survey
- Telia was ranked first in the global Technology & Telecommunications sector and second overall among all companies assessed in Global Child Forum's Children's Rights Benchmark
- Employee engagement was measured at 77/100, in line with top external benchmarks
- By the end of the year, 41% of Telia's extended leadership team were women
- Telia Estonia began rolling out 100 solar panel systems to power 100 of its mobile sites and feed excess energy to the national grid
- Telia's net-zero targets were approved by the Science Based Targets initiative
- In Sweden alone, Telia stopped approximately 30 million scam calls during 2023

As of December, more than 22,000 MWh of heat had been transferred from Telia's data center to homes in Helsinki, Finland.

Case: Delivering sustainably

Sustainable heating and cooling in Helsinki

Located in the Pitäjänmäki high-tech industrial area, the Telia Helsinki Data Center is a major hub for Telia Finland's network that also offers customers and partners access to carrier-neutral cloud platforms, a complete range of network and data services, and – perhaps most surprisingly – millions of hot showers each year.

With capacity for 200,000 servers, 5,000 racks and 24 MW of maximum IT power, the Telia Helsinki Data Center generates a tremendous amount of heat. Of course, with a mean yearly temperature of about 6°C, Helsinki isn't the worst place to generate heat, which is why many companies that aren't based in the Nordics also build data centers here. In fact, as a result of the cool climate, the Telia Helsinki Data Center benefits from free cooling for 95% of the year.

But rather than let all the heat it generates escape into the atmosphere, the Telia Helsinki Data Center was designed with a liquid-based cooling distribution process and a reuse system that allows excess heat to be transferred to the district heating network. Three heat pumps connected in series take water that has been heated to 30°C by the Telia Helsinki Data Center's servers and racks, transfer excess heat to the district heating network and then return the water to the data center's cooling system at a reduced temperature of approximately 20°C.

Helen, one of the largest energy companies in Finland, controls the transfer of heated water from the Telia Helsinki Data Center remotely via its production control system, adjusting the pump power and water temperature according to the ambient outdoor temperature.

As a tier III facility, the Telia Helsinki Data Center was designed with redundant cooling systems and its water chillers and dry coolers operate at all times. However, the transfer of excess heat to the district heating network absorbs the majority of the cooling load throughout the year. The transfer of heat began in April 2023 and, as of December, more than 22,000 MWh of heat had been transferred to homes in Helsinki.

That's enough to heat 7,000 one-bedroom apartments but Telia projects that, as the data center's capacity utilization is increasing, it will be capable of heating more than 20,000 one-bedroom apartments by 2030 in Finland. As a LEED/CEEDA Gold and ISO 14001 certified facility powered by renewable electricity, the Telia Helsinki Data Center is an excellent source of heat that might otherwise have to be generated using fossil fuels.

Directors' report

Group development in 2023

Telia Company's operating model is based on geographical areas except for the TV and Media segment. The group's operations are managed and reported by the following operating segments: Sweden, Finland, Norway, Lithuania, Estonia and TV and Media. Former segment Denmark is classified as held for sale and discontinued operations since September 15, 2023, see Note C34.

In addition to the reported operating segments, operations in Latvia, Telia Finance and Group functions are included in Other operations. Group functions include Group Strategy & Commercial, Corporate Affairs, Finance, Common Products and Services, Communications, Brand and Sustainability, and People and Culture.

Financial highlights

SEK in millions, except key ratios, per share data and changes[1]	Jan–Dec 2023	Jan–Dec 2022	Change (%)
Revenue	88,785	85,580	3.7
Change (%) like for like[2,4]	1.8		
of which service revenue[2]	*75,912*	*73,047*	*3.9*
change (%) like for like[2,4]	*2.0*		
change (%) like for like, Telco operations[2,4]	*3.3*		
Adjusted EBITDA[2,3]	30,254	28,954	4.5
change (%) like for like[2,4]	*3.6*		
change (%) like for like, Telco operations[2,4]	*5.3*		
Margin (%)	34.1	33.8	
Adjusted operating income[2,3]	10,862	10,847	0.1
Operating income	4,980	-9,214	n/a
Income after financial items	1,105	-12,555	n/a
Total net income[5]	897	-14,165	n/a
Total earnings per share (SEK)[5]	0.08	-3.63	n/a
Structural part of Operational free cash flow[2]	7,254	6,092	19.1
Operational free cash flow[2]	6,656	5,124	29.9
CAPEX excluding fees for licenses, spectrum and right-of-use assets[2]	13,628	15,266	-10.7

1) Continuing operations if not otherwise stated.
2) See sections Alternative performance measures and Definitions.
3) See section Adjustment items.
4) Like for like excludes exchange rate effects and is based on the current group structure, i.e. including the impact of any acquired operations and excluding the impact of any disposed operations, both in the current and in the comparable period.
5) Refers to continuing and discontinued operations.

Revenue

Revenue increased 3.7% to SEK 88,785 million (85,580) driven to some extent by increased sale of equipment, although mainly from service revenue increasing across all telco operations, which more than compensated for lower revenue generation in TV and Media.

Revenue like for like increased 1.8% as increased service revenue across all telco operations, although primarily for Sweden and Norway, more than offset lower service revenue in TV and Media.

Service revenue like for like increased 2.0% due to a positive development for both mobile and fixed service revenue across all telco operations, which more than compensated for lower service revenue attributable to advertising in TV and Media.

Revenue SEK in millions	Jan–Dec 2023	Jan–Dec 2022	Change (SEK million)	Change (%)
Sweden	35,869	35,112	757	2.2
Finland	16,545	15,171	1,373	9.1
Norway	15,114	15,022	92	0.6
Lithuania	5,516	4,784	732	15.3
Estonia	4,145	3,637	508	14.0
TV and Media	8,386	8,829	-443	-5.0
Other operation	5,025	4,330	695	16.1
Of which Latvia	*3,566*	*3,065*	*500*	*16.3*
Eliminations	-1,814	-1,304	-510	39.1
Total	**88,785**	**85,580**	**3,204**	**3.7**

Operating expenses

Operating expenses decreased by 11.7% to 84,663 (95,907) as 2023 was impacted by impairments of SEK 4,062 million mainly related to goodwill in Finland and TV and Media, whereas 2022 was impacted by impairments of SEK 19,276 million mainly related to goodwill in Finland, Norway, and Latvia. See Notes C12 and C13.

Goods and sub-contracting services purchased and change in inventories increased by 5.6% to SEK 29,732 million (28,150) driven by most markets as well as increased costs for film and program rights in TV and Media.

Interconnect and roaming expenses decreased by 5.4% to SEK 2,493 million (3,635) primarily driven by Sweden, Finland and Norway.

Personnel expenses increased by 9.5% to SEK 14,797 million (13,512) as efficiencies generated were more than offset by mainly salary inflation, increased employee bonuses and a negative impact from foreign exchange rate fluctuations.

Depreciation, amortization and impairment decreased to SEK 23,517 million (37,445) due to lower impact from impairments 2023 compared to 2022.

Operating expenses SEK in millions	Jan–Dec 2023	Jan–Dec 2022	Change (SEK million)	Change (%)
Goods and sub-contracting services purchased and change in inventories	-29,732	-28,150	-1,582	5.6
whereof amortization and impairment losses of film and program rights	*-5,908*	*-5,557*	*-351*	*6.3*
Interconnect and roaming expenses	-2,493	-2,635	142	-5.4
Other network expenses	-1,545	-1,437	-108	7.5
Total Goods and services purchased	**-33,770**	**-32,222**	**-1,548**	**4.8**
Personnel expenses	-14,797	-13,512	-1,285	9.5
Marketing expenses	-2,799	-2,944	145	-4.9
whereof amortization of cost to obtain a contract	*-1,117*	*-1,095*	*-22*	*2.0*
IT expenses and consultancy fees	-4,200	-4,218	18	-0.4
whereof capitalized consultancy fees	*629*	*804*	*175*	*-21.8*
Property and energy costs	-2,311	-2,366	55	-2.3
Other	-2,104	-2,168	64	-3.0
Total Personnel and Other external expenses	**-26,211**	**-25,208**	**-1,003**	**4.0**
Depreciation, amortization and impairment	-23,517	-37,445	13,929	-37.2
Other operating expenses	-1,165	-1,031	-134	13.0
Total	**-84,663**	**-95,907**	**11,244**	**-11.7**

Adjustment items

Adjustment items affecting operating income amounted to SEK -5,882 million (-20,062) and were impacted by impairment charges of SEK -4,062 million mainly related to goodwill in Finland and TV and Media. In addition, 2023 was impacted by a VAT dispute provision in Norway, see Note C30, and higher personnel redundancy costs. Adjustment items affecting operating income in 2022 were impacted by impairment charges of SEK -19,276 million mainly related to goodwill in Finland, Norway, and Latvia.

Adjustment items[1] SEK in millions	Jan–Dec 2023	Jan–Dec 2022
Within EBITDA	**-1,861**	**-824**
Sweden	-186	-109
Finland	-144	-131
Norway	-534	-78
Lithuania	-35	-15
Estonia	-15	-9
TV and Media	-126	-30
Other operations	-747	-625
Sub total	**-1,785**	**-997**
whereof personnel redundancy restructuring costs	*-649*	*-210*
whereof consultant costs including transformation and integration	*-397*	*-400*
whereof IT costs including transformation	*-224*	*-222*
whereof other	*-515*	*-165*
Capital gains/losses	-76	173
Within Depreciation, amortization and impairment losses	**-4,020**	**-19,238**
Within Income from associated companies and joint ventures	**-**	**-**
Total adjustment items within operating income, continuing operations	**-5,882**	**-20,062**

1) See sections Alternative performance measures and Definitions.

Adjusted EBITDA

Adjusted EBITDA increased 4.5% to SEK 30,254 million (28,954) and the adjusted EBITDA margin increased to 34.1% (33.8).

Adjusted EBITDA like for like, increased 3.6% as a positive development for all telco operations, although mainly for Norway and Finland, more than compensated for a negative development for TV and Media. The latter driven by lower advertising revenue as a result from a weakening of the advertising market in predominately Sweden.

Adjusted EBITDA[1] SEK in millions	Jan–Dec 2023	Jan–Dec 2022	Change (SEK million)	Change (%)
Sweden	13,615	13,508	107	0.8
Finland	5,093	4,443	650	14.6
Norway	7,062	6,750	312	4.6
Lithuania	2,019	1,688	332	19.7
Estonia	1,618	1,330	288	21.6
TV and Media	-225	276	-501	n/a
Other operation	1,072	959	113	11.8
whereof Latvia	*1,029*	*890*	*139*	*15.7*
Total	**30,254**	**28,954**	**1,299**	**4.5**

1) See sections Alternative performance measures and Definitions.

Operating income

Operating income amounted to SEK 4,980 million (-9,214) and was impacted by impairment charges of SEK -4,062 million mainly related to goodwill in Finland and TV and Media. Operating income in 2022 was impacted by impairment charges of SEK -19,276 million mainly related to goodwill in Finland, Norway, and Latvia.

Adjusted operating income increased to SEK 10,862 million (10,847) as improvement in Telco operations was largely offset by lower adjusted operating income for the TV and Media unit as well as for Other operations.

Operating income SEK in millions	Jan–Dec 2023	Jan–Dec 2022	Change (SEK million)	Change (%)
Sweden	6,226	5,891	335	5.7
adjusted operating income[1]	*6,655*	*6,422*	*233*	*3.6*
Finland	-1,574	-8,716	7,142	-81.9
adjusted operating income[1]	*1,444*	*915*	*529*	*57.9*
Norway	2,197	-5,851	8,048	n/a
adjusted operating income[1]	*2,730*	*2,727*	*4*	*0.1*
Lithuania	1,115	850	265	31.1
adjusted operating income[1]	*1,152*	*856*	*295*	*34.5*
Estonia	999	734	265	36.0
adjusted operating income[1]	*1,013*	*669*	*345*	*51.6*
TV and Media	-2,149	-852	-1,297	152.2
adjusted operating income[1]	*-1,123*	*-512*	*-611*	*119.4*
Other operations	-1,833	-1,271	-563	44.3
adjusted operating income[1]	*-1,010*	*-230*	*-780*	*338.8*
Total	**4,980**	**-9,214**	**14,195**	**-154.1**
Total adjusted operating income[1]	*10,862*	*10,847*	*15*	*0.1*

1) See sections Alternative performance measures and Definitions.

Financial items, taxes, net income and OCI

Financial items totaled SEK -3,876 million (-3,340) of which SEK -3,974 million (-2,976) related to net interest expenses. The increase in net interest expenses was mainly due to increased interest rates and foreign exchange rates.

Income taxes amounted to SEK -1,099 million (-1,355). The effective tax rate was 99,5% (-10.8). The increase in effective tax rate was mainly impacted by impairments, see note 13, and adjustment of taxes related to prior years. Adjusted for impairments the effective tax rate would have been 22.9% (22.8).

Net income from continuing operations amounted to SEK 6 million (-13,910) and Net income from discontinued operations amounted to SEK 891 million (-255).

Other comprehensive income (OCI) decreased to SEK -3,280 million (7,022), mainly due to negative remeasurements of defined benefit pension plans and negative foreign translation differences.

Financial position, credit facilities and cash flow

Financial position
Goodwill and other intangible assets decreased to SEK 66,020 million (74,547), mainly due to impairments and by a reclassification of Denmark to Assets classified as held for sale, see Note C34.

Property, plant and equipment decreased to SEK 70,181 million (74,824), mainly impacted by the reclassification of Denmark to Assets classified as held for sale and by foreign exchange rate effects.

Investments in associates and joint ventures, pension obligation assets and other non-current assets decreased to SEK 6,742 million (8,171), mainly due to remeasurements of defined benefit pension plans.

Non-current interest-bearing receivables increased to SEK 8,998 million (7,629), mainly driven by market value changes on derivatives and net investments in investment bonds, partly offset by a reclassification to Current interest-bearing receivables.

Current interest-bearing receivables increased to SEK 13,896 million (9,676), mainly due to net investments in investment bonds and a reclassification from Non-current interest-bearing receivables, partly offset by a decrease in collaterals for derivatives driven by market value changes.

Assets classified as held for sale and Liabilities directly associated with assets classified as held for sale increased to SEK 8,310 million (-) and SEK 4,169 million (-), respectively, as Denmark is classified as discontinued operations. See Note C34.

Non-current borrowings increased to SEK 98,497 million (94,555), mainly impacted by issued bonds, partly offset by reclassifications to current borrowings.

Current borrowings increased to SEK 14,069 million (7,007), mainly due to reclassifications from non-current borrowings, partly offset by matured debt.

See Consolidated statements of financial position, Consolidated statements of changes in equity and related Notes to the consolidated financial statements for further details.

Condensed consolidated statements of financial position, SEK in millions	Dec 31, 2023	Dec 31, 2022	Change (SEK million)	Change (%)
Goodwill and other intangible assets	66,020	74,547	-8,527	-11.4%
Property, plant and equipment	70,181	74,824	-4,643	-6.2%
Film and program rights, non-current	2,931	2,299	632	27.5%
Right-of-use assets	16,823	16,549	274	1.7%
Investments in associated companies and joint ventures, pension obligation assets and other non-current assets	6,742	8,171	-1,429	-17.5%
Deferred tax assets	1,183	1,071	112	10.5%
Non-current interest-bearing receivables	8,998	7,629	1,369	17.9%
Total non-current assets	**172,878**	**185,090**	**-12,212**	**-6.6%**
Film and program rights, current	2,851	3,022	-171	-5.7%
Inventories	2,307	2,918	-611	-20.9%
Trade and other receivables and current tax receivables	14,580	15,216	-636	-4.2%
Current interest-bearing receivables	13,896	9,676	4,220	43.6%
Cash and cash equivalents	11,646	6,871	4,775	69.5%
Assets classified as held for sale	8,310	-	8,310	100.0%
Total current assets	**53,590**	**37,703**	**15,887**	**42.1%**
Total assets	**226,468**	**222,793**	**3,675**	**1.6%**
Total equity	**56,994**	**67,673**	**-10,679**	**-15.8%**
Non-current borrowings	98,497	94,555	3,942	4.2%
Deferred tax liabilities	9,013	10,514	-1,501	-14.3%
Provisions for pensions and other non-current provisions	5,710	5,022	688	13.7%
Other non-current liabilities	2,098	2,289	-191	-8.3%
Total non-current liabilities	**115,317**	**112,379**	**2,938**	**2.6%**
Current borrowings	14,069	7,007	7,062	100.8%
Trade payables and other current liabilities, current tax payables and current provisions	35,920	35,734	186	0.5%
Liabilities directly associated with assets classified as held for sale	4,169	-	4,169	100.0%
Total current liabilities	**54,158**	**42,741**	**11,417**	**26.7%**
Total equity and liabilities	**226,468**	**222,793**	**3,675**	**1.6%**

CAPEX
CAPEX, excluding right-of-use assets, decreased to SEK 15,202 million (15,677) driven by a lower investment level in most units, partly offset by higher CAPEX related to licenses and spectrum in Sweden. CAPEX, excluding fees for licenses, spectrum and right-of-use assets decreased to SEK 13,628 million (15,266) driven by a lower investment level in most telco operations. Cash CAPEX decreased to SEK 14,666 million (15,146).

Main CAPEX components were related to investments in the mobile and fixed networks, roll-out of fiber and 5G as well as customer cases. Furthermore, licenses and spectrum permits were acquired for a total amount of SEK 1,574 million, primarily in Sweden.

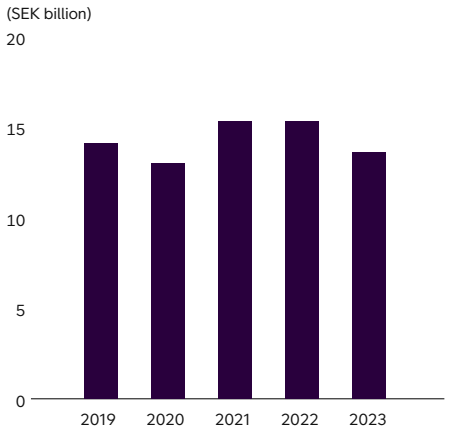
Credit facilities
Telia Company deems its available bank credit facilities and updated open-market financing programs are sufficient for the present known liquidity requirements. Telia Company's surplus liquidity (short-term investments, cash and bank, and certain securities with maturities exceeding 12 months but convertible to cash within 2 days) was in total SEK 23.2 billion (12.0) at year-end. In addition, the total available unutilized amount under committed bank credit facilities as well as overdraft and current credit facilities at year-end was SEK 14.8 billion (14.8). Available liquidity amounted to SEK 38.0 billion (26.8).

Telia Company targets a solid, long-term investment grade credit rating, defined as A- to BBB+. The credit rating of Telia Company remained unchanged during 2023. Moody's credit rating of Telia Company for long-term borrowings is Baa1 with a stable outlook. Standard & Poor's long-term credit rating is BBB+ and the short-term rating is A-2, both with a stable outlook. Telia Company has a leverage target of 2.0x-2.5x Net Debt/adjusted EBITDA.

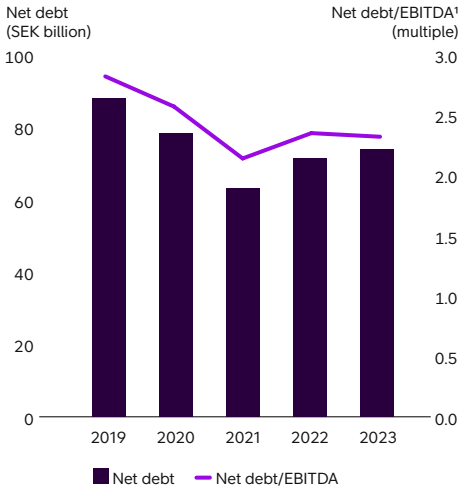
Telia Company normally arranges its financing through the parent company Telia Company AB. Most issuances are executed under the company's existing EMTN (Euro Medium Term Note) framework of EUR 12 billion. The primary sources of external borrowing are described in Notes C21 and C27 to the consolidated financial statements.

In February 2023, Telia Company issued a 9-year bond of EUR 500 million (SEK 5.6 billion) to a yield of 3.799% and with a coupon of 3.625%, maturing in February 2032. In March 2023, Telia Company issued bonds with a total amount of SEK 4 billion. These bonds are separated in two maturities with a fixed and floating tranche on each, SEK 2 billion maturing in March 2026, and SEK 2 billion maturing in September 2028. The coupon of the 3-year bond was set at 4.375% per annum for the fixed tranche, corresponding to a yield of 4.39%, and Mid-swaps +73 basis points for the floating tranche. The coupon of the 5.5-year bond was set at 4.375% per annum for the fixed tranche corresponding to a yield of 4.42%, and Mid-swaps +110 basis points for the floating tranche. In November 2023 Telia Company issued bonds in total of NOK 4 billion (SEK 3.9 billion). These bonds are separated in two maturities, NOK 2 billion maturing in March 2029 with both

CAPEX excluding fees for licenses, spectrum and right-of-use assets

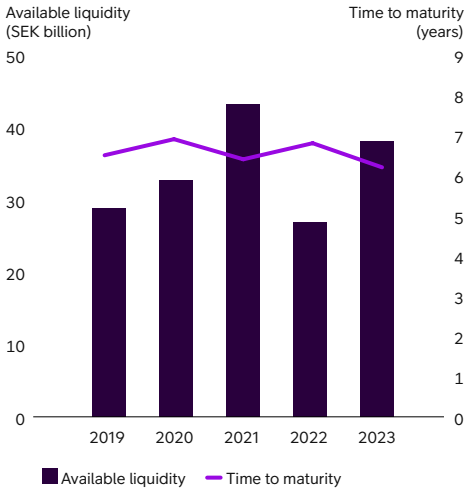


Net debt and Net debt/EBITDA[1,2]



1) Refers to Adjusted EBITDA.
2) Including continuing and discontinued operations and assets held for sale.

Available liquidity and time to maturity[1]



1) Available liquidity includes cash balances, deposits, investment bonds and unutilized credit facilities.

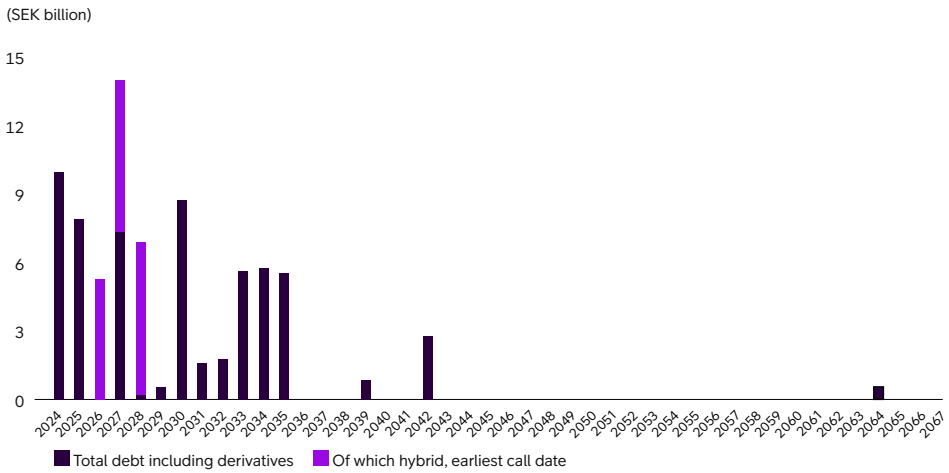
a fixed and a floating rate tranche, and NOK 2 billion maturing in March 2034 with a fixed rate tranche. The coupon of the 5,25-year bond was set at 4,675% per annum for the fixed tranche, corresponding to a yield of 4.67%, and 3M Nibor +105 basis points for the floating tranche. The coupon of the 10,25-year bond was set at 4,790% per annum with the same yield. The proceeds from the issues will partly be used to refinance maturing, senior bonds.

During the year outstanding bonds with a nominal amount of SEK 3.4 billion (of which hybrid bonds EUR 100 million (SEK 1.2 billion)) were repaid.

The sustainability linked Revolving Credit Facility of EUR 1,200 million (SEK 13.8 billion) signed in the third quarter of 2022 with a group of twelve relationship banks was extended for another year during the third quarter of 2023, utilizing one of the two extension options of one year each, subject to approval of the lenders. This means that the credit facility still has a tenor of 5 years and is fully eligible under the rating agencies' liquidity models. The loan facility has a clear connection to Telia's sustainability strategy, since the loan margin is linked to Telia's sustainability performance on climate, diversity and digital skills.

At year-end, the average time to maturity of Telia Company's overall debt portfolio was approximately 6.2 years (6.8).

Debt portfolio maturity schedule – 2024 and onwards



Cash flow, continuing and discontinued operations
Cash flow from operating activities increased to SEK 24,671 million (24,001).

Cash flow from investing activities amounted to SEK -22,058 million (-9,936). 2023 was mainly impacted by increased investments in non-current bonds and net investments in short-term investments.

Cash flow from financing activities amounted to SEK 2,653 million (-21,779). 2023 was impacted by received collateral while 2022 mainly was impacted by higher repayments of non-current borrowings, paid collateral and repurchased shares, partly offset by the partial disposal of the tower business in Sweden.

Operational free cash flow, continuing operations
Structural part of Operational free cash flow increased to SEK 7,254 million (6,092) mainly due to increased adjusted EBITDA, lower cash CAPEX excluding fees for licenses and spectrum, partly offset by increased interest paid.

Operational free cash flow increased to SEK 6,656 million (5,124) mainly due to increased adjusted EBITDA, lower cash CAPEX excluding fees for licenses and spectrum, partly offset by increased interest paid and a negative contribution from working capital.

See Consolidated statements of cash flows and related Notes to the consolidated financial statements for further details.

Condensed consolidated statements of cash flows

SEK in millions	Jan–Dec 2023	Jan–Dec 2022	Change (SEK million)
Cash flow from operating activities	**24,671**	**24,001**	**670**
Cash CAPEX	-15,466	-15,908	442
Free cash flow	**9,204**	**8,094**	**1,110**
of which Operational free cash flow, continuing operations	*7,254*	*6,092*	*1,162*
of which Structural part of Operational free cash flow, continuing operations	*6,656*	*5,124*	*1,532*
Cash flow from other investing activities	-6,591	5,971	-12,562
Cash flow from investing activities	**-22,058**	**-9,936**	**-12,122**
Cash flow from financing activities	**2,653**	**-21,779**	**24,432**
Cash and cash equivalents opening balance	**6,871**	**14,358**	**-7,487**
Cash flow for the period	**5,266**	**-7,714**	**12,980**
of which continuing operations	*4,777*	*-8,274*	*13,051*
of which discontinued operations	*489*	*560*	*-71*
Exchange rate differences	-372	227	-599
Cash and cash equivalents closing balance	**11,764**	**6,871**	**4,893**
of which continuing operations	*11,646*	*6,871*	*4,775*
of which discontinued operations	*118*		*118*

Significant events in 2023

- On January 16, 2023, Telia Company announced changes to its Group Executive Management team through the merger of the Communications, Brand and Sustainability functions, appointing Ola Rembe as Senior Vice President, Head of Communications, Brand and Sustainability.
- On February 10, 2023, Telia Company announced that Dan Strömberg, Senior Vice President, Head of LED (Lithuania, Estonia and Denmark) and CEO of Telia Lithuania, plans to retire from Telia Company during the summer of 2023.
- On February 16, 2023, Telia Company issued a bond of EUR 500 million under its existing EMTN (Euro Medium Term Note) program. See Note C21 and C27.
- On March 9, 2023, Telia Company issued bonds in four separate tranches with a total amount of SEK 4 billion, under its existing EMTN (Euro Medium Term Note) program. See Note C21 and C27.
- On March 24, 2023, Telia Company announced that Per Christian Mørland, Executive Vice President and Group Chief Financial Officer, has given notice of resignation due to family reasons and will be leaving Telia Company during H2 2023 to take on career opportunities closer to his home in Norway.
- On April 5, 2023, Telia Company announced the resolutions passed at the Annual General Meeting.
- On April 25, 2023, Telia Company announced the signing of a binding term sheet agreeing upon the key terms on which to sell 100% of its Danish operations and network assets to Norlys, at an expected enterprise value of DKK 6.25 billion (approximately SEK 9.5 billion), equal to 8.9x Telia Denmark's 2022 reported EBITDA. See Note C34.
- On April 28, 2023, it was announced that the number of shares and votes in Telia Company AB (publ) during April had decreased to 3,932,109,286 due to cancellation of 157,522,416 own shares previously repurchased by the company in accordance with the resolution of the Annual General Meeting on April 5, 2023. See note C20.
- On June 27, 2023, Telia Company announced the appointment of Tim Pennington as interim Executive Vice President, Group Chief Financial Officer and a member of the Group Executive Management team, effective September 2023. Tim Pennington replaces Per Christian Mørland, who, as previously announced, will leave Telia Company at the end of September 2023.
- On July 31, 2023, Telia Company announced that the President and CEO Allison Kirkby has decided to leave the company to take on the position as Chief Executive of BT Group Plc. Allison Kirkby will remain in her role as Telia Company President and CEO until January 31, 2024, at the latest.
- On August 10, 2023, Telia Company announced the appointment of Eric Hageman as Executive Vice President, Group Chief Financial Officer and a member of the Group Executive Management team, effective September 15, 2023.
- On September 7, 2023, Telia Company announced that its targets set with the overall aim of achieving net-zero greenhouse gas (GHG) emissions across its value chain by 2040 have been approved by the Science Based Targets initiative (SBTi).
- On September 15, 2023, Telia Company announced that it has entered into a final and binding agreement to sell 100% of its operations and network assets in Denmark to Norlys a.m.b.a. (Norlys) at an enterprise value of DKK 6.25 billion, on a cash and debt-free basis. The transaction, first announced on April 25, 2023, is in line with Telia's strategy to focus on markets in which there is a clear path to securing and defending leading market positions. See Note C34.
- On September 21, 2023, Telia Company announced that Telia Sweden in a spectrum auction had secured 2x15MHz in the 900MHz band, 2x20MHz in the 2.1GHz band and 2x30MHz in the 2.6GHz band at a total cost of SEK 1.55 billion. The 900MHz band frequencies have a duration of 23 years, and the 2.1GHz and 2.6GHz frequencies have a duration of 25 years.
- On October 13, 2023 Telia Company announced that its Board of Directors had appointed Patrik Hofbauer as President and CEO, effective February 1, 2024.
- On November 23, 2023, Telia Company announced that it for the second consecutive year, had received a platinum rating from EcoVadis, the world's largest provider of business sustainability ratings.
- On November 29, 2023, Telia Company issued bonds in a total amount of NOK 4 billion, under its existing EUR 12 billion EMTN (Euro Medium Term Note) program. See Note C21 and C27.
- On December 18, 2023, Telia Company announced that it had received information from the Danish Competition Authority (DCCA) that the clearance process for the intended sale of Telia Denmark to Norlys was not yet finalized, and that the DCCA has decided to move the decision process into Phase 2. See Note C34.

Significant events after 2023

- On January 24, 2024, Telia Company announced that the fourth quarter and full year 2023 financial results will be impacted by non-cash impairments of in total SEK 4.1 billion, mainly related to goodwill in Finland and TV and Media. See Note C12 and C13.
- On February 28, 2024, Telia Company announced that the sale of Telia Denmark had received regulatory approval from the Danish Competition Council. Telia Company now expects the transaction to close in early April 2024. See Note C34.
- On March 4, 2024, Telia Company announced an invitation to holders of certain outstanding SEK and EUR notes for purchase subject to the conditions and the restrictions described in the tender offer memonrandum dated March 4, 2024.
- On March 12, 2024 Telia Company announced that Markus Messerer, Senior Vice President, Chief Strategy & Commercial Officer, will leave the Telia to pursue opportunities outside the company.
- On March 12, 2024, Telia Company announced the results of its tender offer in respect of certain outstanding SEK and EUR notes. Settlement of the aggregate principal amounts of SEK 1,925 million and EUR 350.0 million is expected to take place on March 13, 2024.

Outlook for 2024

- Service revenue, like for like, is estimated to grow by low single digits.
- Adjusted EBITDA, like for like, is estimated to grow by low to mid-single digits.
- CAPEX, excluding fees for licenses, spectrum and right of use assets, is estimated to be around SEK 14 billion.
- The structural part of Operational free cash flow is estimated to be between SEK 7-8 billion.

Leverage and credit rating target

Telia Company targets a leverage corresponding to Net debt/adjusted EBITDA in the range of 2.0-2.5x and a solid investment grade of A- to BBB+.

Dividend policy

Telia Company intends to follow a progressive dividend policy, with a floor of SEK 2.00 per share and an ambition for low to mid-single digit percentage growth.

Telia Company share

The Telia Company share is listed on Nasdaq Stockholm and Helsinki. In 2023 the share price in Stockholm decreased 3,5% and closed at year-end 2023, at SEK 25.73 (26.66). During the same period, the OMX Stockholm 30 Index increased 17.3%.

At year-end 2023, Telia Company's market capitalization was SEK 101 billion (109). Besides Nasdaq Stockholm and Helsinki, the share was also traded on other platforms.

As of December 31, 2023, Telia Company's issued share capital totalled SEK 13,856,271,299.20 distributed among 3,932,109,286 shares with a quotient value of SEK 3.52 per share. No shares were repurchased under the Long term Incentive Program (LTI) 2023. On April 5, 2023, the Annual General Meeting decided to make a cancellation of all held 157,522,416 treasury shares, reducing the share capital with SEK 533,709,021, and at the same time make a corresponding bonus issue of shares with SEK 533,709,021. The cancellation of shares and bonus issue was registered April 20, 2023. For further information, see sections "Share capital" and "Treasury shares" in Note C20 to the consolidated financial statements.

All issued shares have been paid in full and carry equal rights to vote and participate in the assets of the company. At the general meeting of shareholders, each shareholder is entitled to vote for the total number of shares she or he owns or represents. Each share is entitled to one vote.

As of December 31, 2023, Telia Company's Finnish pension fund held 366,802 shares and its Finnish personnel fund 722,604 shares in the company, respectively, in total representing 0.03% of the outstanding shares.

There are no regulations in either the Swedish legislation or in Telia Company AB's Articles of Association that would limit the possibility to transfer Telia Company shares. Telia Company is not aware of any agreements between major shareholders of the company regarding the Telia Company shares.

The Board of Directors does not currently have any authorization by the general meeting of shareholders to issue new shares but has the authorization to repurchase a maximum of 10% of the company's total number of outstanding shares before the AGM 2024. In order to continue to provide the Board of Directors with an instrument to adapt and improve Telia Company's capital structure, the Board of Directors proposes that the AGM on April 10, 2024, resolves to authorize the Board of Directors to acquire the company's own shares. The authorization may be exercised on one or more occasions before the AGM 2025. The maximum number of treasury shares held by the company may not exceed 10% of all shares in the company.

In case of a change of control in Telia Company, the company might have to repay certain loans at short notice, since some of Telia Company's financing agreements contain customary change-of-control clauses. These clauses generally also contain other conditions including, for example, that the change of control has to cause a negative change in Telia Company's credit rating in order to be effective.

For 2023, the Board of Directors proposes to the AGM an ordinary dividend of SEK 2.00 per share (2.00), totalling SEK 7.9 billion (7.9). The dividend should be split and distributed in four tranches of SEK 0.50 per share.

The proposed dividend is based on the total number of outstanding shares as of December 31, 2023, which amounted to 3,932,109,286. See also section Proposed appropriation of earnings.

Major shareholders

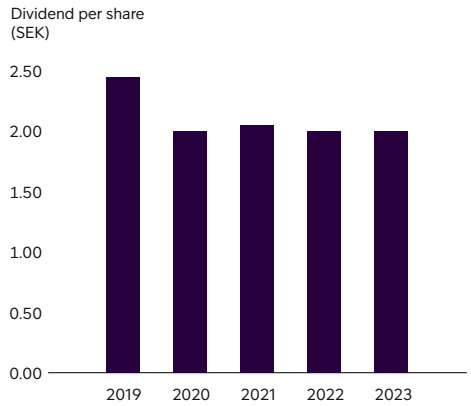
December 31, 2023	Total number of shares	% of total number of shares
Swedish state	1,614,513,748	41.1
BlackRock	132,865,514	3.4
Vanguard	93,872,426	2.4
Nordea	56,906,072	1.4
Handelsbanken	56,491,732	1.4
Swedbank Robur	50,175,355	1.3
Bank of Norway	41,918,849	1.1
Folksam	39,870,501	1.0
Avanza	32,765,529	0.8
Länsförsäkringar	30,639,522	0.8
Other shareholders	1,782,090,038	45.3
Total number of shares	**3,932,109,286**	**100.0**

Share data

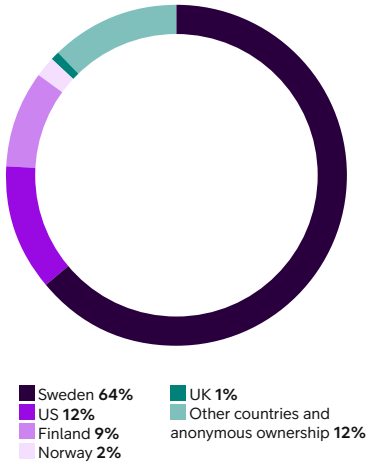
	2023	2022
Paid year-end (SEK)	25.73	26.66
Highest paid during the year (SEK)	28.56	41.4
Lowest paid during the year (SEK)	21.03	26.22
Total number of shares at year-end (millions)	3,932.11	4,089.60
Number of shareholders at year-end	462,350	469,905
Earnings per share, total (SEK)	0.08	-3.63
Earnings per share, continuing operations (SEK)	-0.15	-3.56
Dividend per share (SEK)[1]	2.00	2.00
Equity per share (SEK)	13.60	16.34

1) 2023 refers to proposal to AGM

Dividend per share



Shareholdings per country, December 31, 2023 (% of total number of shares)



Innovation, Research and Development

At Telia all employees, regardless of their position, have a responsibility to drive innovation. Innovation cuts across businesses and operations, from the development of new products and services to process improvements and tweaks of the company's ways of working. To foster and support an innovative culture focused on customers and the company's businesses, a prototyping unit supports all operational units and enables them to experiment in their markets in the early stages of the innovation process.

New customer needs are explored by customer-driven innovation teams in each market. Common Product and Transformation management has the responsibility to further explore and drive the creation of new services or improve existing services linked to Telia's existing core business and to secure alignment with relevant international telco standards and regulations across five product areas: connectivity, communication, IT, pay-TV and financial services.

Division X has the responsibility to spearhead and accelerate activities in emerging business areas such as the IoT and data insights.

5G
The massive rollout of 5G radio networks is paving the way for the creation of new 5G services using internationally standardized 5G standalone (SA) technology. 5G SA technology enables 5G connectivity with certain service levels fulfilling various quality of service demands, more granular network-based positioning (including indoor positioning), and exposure of globally standardized or industry-specific network API-based services. Industry-specific solutions combining 5G SA services with, for example, IoT/AI and cloud services is also an area of exploration.

Two new strategic innovation programs were launched during 2023 to drive the introduction of new 5G services: NorthStar with Ericsson in Sweden in February and Sirius with Nokia in Finland in December. These programs will help leading industrial companies and universities explore how 5G technology could be used in their own context, in their own development projects and in testing facilities.

While 5G development was initially driven by and focused on exploring needs from the mining and manufacturing industries, Telia now also sees transformative approaches and needs from industries such as transport, logistics, energy/utilities, health care and agriculture. As development is driven in ecosystems, across several industries and partnerships, a lot of effort has been put into public announcements about what Telia is doing to spread knowledge and awareness.

IoT, data insights and AI
As digitalization continues and sustainability enablement becomes increasingly important for Telia's B2B customers, the company continues to scale its IoT and data insights solutions, helping its customers to increase efficiency and decrease carbon emissions.

Telia believes that the de-globalization and national autonomy trend is placing new requirements on its IoT and Data Insights solutions, and these requirements have been incorporated in the company's product development, as it explores current and future possibilities with AI services.

In 2023, Telia's IoT Connectivity solutions received three prestigious awards – the WCA B2B Service of the Year, the IoT Evolution Business Impact award and the IoT Enablement Enterprise award – in addition to being shortlisted for other awards such as the Glotel Awards Climate Action Initiative of the Year. Telia now connects more machines than people in Sweden and continues to build on its position as the largest M2M provider in the market.

Telia Crowd Insights, a service that uses anonymized and aggregated mobile network data to analyze movement patterns, and Telia's other data insight services are continuously developed to explore new application areas. Telia Travel Emission Insights was featured in a GSMA report: **The Mobile Industry and AI.**

In cooperation with Arthur D. Little, Telia produced the **Real estate industry challenges and digital solutions** report examining the current state of the industry and presenting digital solutions to help building owners reduce energy consumption, costs and CO_2 emissions. Telia also launched a **tool** that real estate customers, property owners and housing cooperatives can use to calculate their return on investments in smart building solutions in terms of electrical energy consumption, cost benefits and CO_2 reductions.

Telia's Smart Public Transport portfolio combines IoT and data insight capabilities, supporting customers with smarter and more sustainable public transport planning and operations. The company continues to develop these solutions to contribute to making society more accessible and transportation more sustainable.

Patents and R&D expenses
In 2023, Telia Company continued to modernize the patent portfolio by focusing on emerging and core technologies, such as 5G/IoT, roaming, routing, terminal and device management, enterprise technologies and data center development. As of December 31, 2023, Telia Company had 181 patent "families" and 905 patents or patent applications, fewer than in the previous year due to the optimization of the patent portfolio.

Telia Company (continuing and discontinued operations) incurred R&D expenses of SEK 1,113 million (927) in 2023.

People

Our people ambition
The re-invention of Telia starts with our people. We have an ambition to relentlessly continue to build a Telia designed for generations to come. We have solid ground to stand on – building on almost 200 years of successful re-inventions and of focusing on people, business, and society. We will continue to move forward with our passion to create something more and something better for our employees and our customers. Our people strategy is essential to our journey ahead and to accelerate the transformation. Our ambition is to create a Telia where our people can grow and develop and a culture that is inclusive, rights-respecting and empowering – with the opportunity for all Telia people to operate at their full potential.

Culture and Leadership
Culture and Leadership is key to the success of Telia's transformation, and significant focus and investment have been made into culture and leadership this year.

We launched a new purpose, refreshed values and leadership framework and strategy in the past couple of years. Focus for 2023 has been to get all our people and leaders onboard on our refreshed culture and aware of the key cultural shifts going forward. Our key shifts have become even more customer focused, more aligned in goals, priorities, and ways of working, and lastly enable great collaboration across organization. In our company engagement survey this year we have moved up in perception of a strong Telia culture. We believe focusing on the key shifts going forward will take us even further on our ambition towards a stronger and more aligned culture.

In 2023 more than 8,000 employees have completed our culture workshop with our new refreshed values. More than 700 leaders have finished our leadership programs based on our key cultural shifts and refreshed values and leadership framework.

Bridging over to 2024, the cultural journey will continue with more people joining our culture workshops, an improved cultural onboarding for all our new joiners and leaders.

YouFirst
YouFirst is our group-wide approach to employee performance evaluation and development; ensuring that we set clear expectations and priorities, coach our people to success, focus on growth and recognize and reward high performance. It is integrated in daily work through continuous dialogue between the employee and his/her leader, enabling regular performance coaching and feedback for all employees.

Performance excellence is key for us to successfully transform. During 2023 we have continued with improvements of the new framework that was introduced in 2022. For all employees and leaders the new framework optimize their impact on company results – focusing performance with greater strategic alignment, cultural shifts and personalized growth.

Building a sustainable workforce
With a highly competitive talent market we continue to focus on attracting, retaining and nurturing diverse talent. We are actively and continuously working to future proof our workforce using strategic workforce planning and analytics in combination with targeted upskilling efforts to accelerate our shift towards skilled profiles who are strong in automation, digital, and agile (among others).

Reskilling and upskilling initiatives are offered as equal opportunity, open for all employees on the payroll. Further, we have equitable measures to ensure we empower individuals who are underrepresented or vulnerable, by promoting these opportunities for them to benefit from.

During the year, we successfully managed to improve retention. Based on an analysis of our markets and units, we have set an ambition for Telia's workforce size, shape and composition over the coming years. Workforce changes will be a part of the broader shift towards digitalization and automation and will follow the migration away from legacy networks and products.

Respecting labor rights
We are committed to respect the rights of our employees, confirmed by our People policy. As we are operating in a context characterized by strict labor laws and a high degree of unionization, many aspects are secured through legal compliance measures embedded in Telia's processes and through collective bargaining agreements.

Freedom of association and the right to collective bargaining
All employees, regardless of location or employment type, have the right to choose to be represented by a trade union for the purposes of collective bargaining. No employee shall be discriminated for exercising this right. These principles are also included in the Supplier Code of Conduct, which means that we also expect all suppliers to recognize these rights. At year-end, 95% of employees were covered by collective bargaining agreements. Telia Company cooperates with employee representatives and national trade unions in accordance with both national legislation and applicable collective bargaining agreements. Together with employees in the Nordic and Baltic operations Telia Company has established a European Works Council (EWC) that serves as an employee representative forum for information and consultation with the Group Executive Management on transnational matters. In addition, local companies regularly engage with local trade unions. During the year, there has been one strike during collective bargaining in the ICT sector in Finland and a settlement was found during June. Besides that, there has been no labor disputes resulting in strikes or notices of strike. During the year, Telia Company carried out a number of reorganizations that impacted employees across the group. In all cases, local companies complied with applicable legal obligations relating to union information and consultation.

Diversity, Equity and Inclusion (DEI)
The primary focus area of 2023 for Diversity, Equity and Inclusion involved the introduction of the EU's new legislation, CSRD, with us reviewing how diversity is to be addressed by us as a material topic in the way forward. Simultaneously, we continued to gain momentum on improving our employer value proposition, our attractiveness as an employer, taking into account the diverse workforce we require to have to remain innovative and thereby, sustainably profitable.

Beyond diversity, we continued to work on ensuring an inclusive environment where every individual within our own workforce feels a sense of belonging, free from prejudice and

discrimination. Various initiatives were introduced to ensure we accelerate towards this desired goal. We introduced Diversity Ambassadors and set up of a community of 3000 + Telians, engaged and informed on DE&I topics such as neurodiversity, disabilities, diversity of culture and faith, ageism and gender equality in tech and leadership. We also achieved 90% of our managers trained in Inclusive Leadership practices, by which we ensure the baseline for tackling of biased behaviour or decisioning among leaders, and of inclusive culture leadership culture.

In 2023 we introduced the word 'equity' into our vocabulary, which allows us to acknowledge our efforts that result in fairness, taking into consideration that not all people have the same starting point. Our work to update company processes and policies to ensure our DE&I objectives and commitments are actively being worked towards is continuous, and is supported by our engagements to build awareness, and improved transparency.

Externally, we reached through events and engagements across our footprint, an audience of 160,000 people (20,000). We also increased the percentage of international talent within Telia (in Sweden) to 10% (8), as we aspire to better reflect the market.

We were ranked as #1 on the Diversity Leaders list of Microsoft partner companies by the Gavriella Schutser analysis, and on the Statista Financial Times Europe' Diversity Leaders special report, we ranked 54 (346) on a list of 850 companies in Europe.

The focus for 2024 will continue to be Gender equality and Pay parity, and we will add on as well a greater focus on inclusion of people with disabilities, and increasing international talent so that we continue to have the advantages brought by diversity to innovation and profit. We will also increase the number of partnerships with schools, so that we may contribute to gender balance in the long term pipeline for tech and leadership, by tackling biases and stemming stereotypical conditioning among children through early intervention.

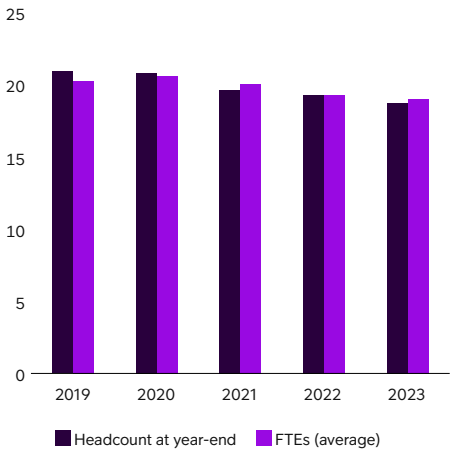
Engagement, well-being and future way of working
According to our employee engagement survey we have during the year continued to keep high physical well-being while preserving engagement and motivation. Read more in the Sustainability chapter, Diversity, inclusion and well-being.

During the year we have continued to work according to our "Office first" model. The model is built on an office first approach that enhances flexibility in the workplace, enabling employees to thrive together physically whilst leveraging the opportunities of working from home.

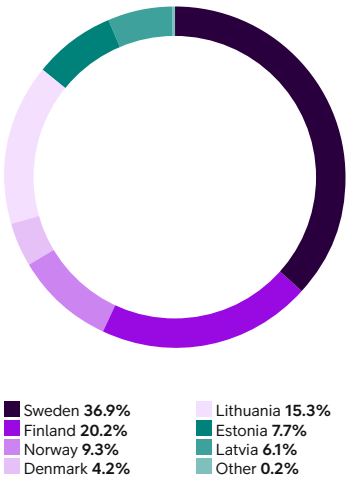
Parental leave
The benefit of parental leave is applicable in all of our markets, in accordance with local laws. In all cases employees are subject to apply for parental leave when a childbirth or an adoption takes place.

Number of employees
During 2023, the number of employees in continuing operations decreased to 17,897 at year-end, from 18,493 at year-end 2022. The number of employees in discontinued operations increased to 747 at year-end 2023, from 744 at year-end 2022. The total average number of full-time employees (FTE) in 2023 was 18,963 (19,202), of which in continuing operations 18,218 (18,447).

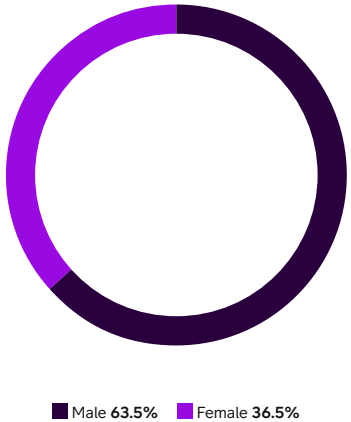
Employees, total (thousands)



Employees, total (FTEs, %) by country



Employees, total (FTEs, %) by gender



Remuneration to executive management

Remuneration principles for Group Executive Management 2024
The AGM on April 5, 2023, decided on guidelines for remuneration to Group Executive Management which have remained applicable during 2023. The Board of Directors has not seen the need to propose any changes to the guidelines to the Annual General Meeting on April 10, 2024, and the previously adopted guidelines are therefore still applicable.

Group Executive Management is defined as the Chief Executive Officer and the other members of the management team who report directly to the Chief Executive Officer. These guidelines are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the 2023 AGM. These guidelines do not apply to remuneration resolved by the General Meeting.

The purpose of the guidelines is to ensure that Telia Company can recruit and retain qualified employees, which is a prerequisite for the successful implementation of the Company's business strategy and safeguarding of its long-term interests, including its sustainability objectives.

Information regarding Telia Company's business strategy can be found on the Company's website.

Total remuneration
The remuneration to the Group Executive Management shall be based on the principle that it is the total remuneration that shall be considered. The total remuneration shall be competitive, but not market leading and shall be evaluated against a set of peer group companies within the similar industry and of comparable size and complexity. It shall also create prerequisites for international recruitment and diversity within the Group Executive Management. The total remuneration may consist of fixed base salary, pension, other remuneration and other benefits. Telia Company shall not offer any variable remuneration to the Group Executive Management.

For employments governed by rules other than Swedish, pension and other benefits may be adjusted for compliance with local rules or established local practice. Such adjustments shall to the extent possible serve the overall objectives of these guidelines.

Fixed base salary
The fixed base salary shall be based on competence, responsibility and performance. Market benchmarks should be made regularly. The individual performance shall be evaluated and be used as a basis for the annual review of fixed base salaries. The performance shall be evaluated in relation to the fulfilment of annual pre-determined targets which shall include financial, employee and sustainability targets.

Pension, other remuneration and other benefits
Pensions and pension benefits shall be based on a defined contribution model, which means that a pension premium is paid amounting to a fixed percentage of all or part of the individual's annual fixed base salary, unless legal requirements or collective agreements state otherwise. The pension premium may not exceed 30% of the annual fixed base salary. In addition, a cash allowance may be paid which together with the pension premium may not exceed 35% of the total remuneration.

The Company may provide other benefits in accordance with prevailing market practice from time to time. A member of the Group Executive Management may be entitled to, inter alia, car benefits as well as medical and healthcare benefits. The cost of such other benefits shall not exceed 10% of the annual fixed base salary.

Members of the Group Executive Management may for a limited period of time be offered certain benefits related to an international assignment or as a result of recruitment from another country. Such benefits may not in total exceed 25% of the annual fixed base salary.

Conditions for termination and severance pay
The termination period for a member of the Group Executive Management may not be less than six months (twelve months for the Chief Executive Officer) upon termination by the employee and not more than twelve months upon termination by the Company. Upon termination by the Company, the individual may be entitled to a severance payment. Fixed base salary during the notice period and severance pay may together not exceed an amount equivalent to the fixed base salary for two years.

Severance pays shall not constitute basis for vacation pay or pension. Remuneration during the termination period and severance pay shall be reduced if the individual is entitled to remuneration from a new employment or if the individual will be conducting own business during the termination period or the period under which severance pay is paid. In addition, remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for potential loss of income and shall only be paid to the extent the previously employed executive is not entitled to severance pay. The remuneration shall be based on the fixed base salary at the time of termination of employment, amount to not more than 60% of the fixed base salary at the time of termination of employment and be paid during the time the non-compete undertaking applies, however not for more than twelve months following termination of employment.

Salary and employment conditions for employees outside of the Group Executive Management
In preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment conditions for the Company's employees have been taken into account by including information on the employees' total remuneration, the components of the remuneration and increase and growth rate over time, as basis for the Remuneration Committee's and the Board of Directors' decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

Shareholding targets for the Group Executive Management
The Board of Directors is of the opinion that a considerable long-term shareholding in Telia Company is an important part in aligning the interests of the Group Executive Management with

the interests of the shareholders, and therefore recommends the Chief Executive Officer and other members of the Group Executive Management to build up a personal holding of Telia Company shares equivalent to 100% of the Chief Executive Officer's and 50% of other members of the Group Executive Management's annual fixed base salary (net after tax) within timeframes set by the Board of Directors.

The decision-making process to determine, review and implement the guidelines
The Board of Directors has an established Remuneration Committee. The Remuneration Committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters, and preparing the Board's proposal for guidelines for remuneration to the Group Executive Management. The Board of Directors shall prepare a proposal for new guidelines when there is a need for material amendments to the guidelines, but at least every fourth year, and submit it to the General Meeting. The guidelines shall be in force until new guidelines are adopted by the General Meeting. The Remuneration Committee shall also monitor the application of these guidelines as well as the current remuneration structures and compensation levels within the Company. The Board of Directors shall annually prepare a remuneration report which shall be submitted to the General Meeting for approval.

Decisions regarding remuneration shall be managed through a well-defined process that ensures that no individual is involved in the decision-making process related to their own remuneration. The Chief Executive Officer's total remuneration is decided by the Board of Directors based on the recommendation of its Remuneration Committee within the confine of these guidelines. The total remuneration to the other members of the Group Executive Management is approved by the Remuneration Committee, based on the Chief Executive Officer's recommendations.

Deviation from the guidelines
The Board of Directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve Telia Company's long-term interests, including its sustainability, or to ensure the group's financial viability. As set out above, the Remuneration Committee's tasks include preparing the Board of Directors' resolutions in the remuneration related matters. This includes any resolution to deviate from the guidelines.

Long-term incentive program 2023/2026
The AGM held on April 5, 2023, resolved to launch a long-term incentive program (LTI) comprising of approximately 250 key employees. This program is not available for the members of Group Executive Management due to this being a requirement of our largest owner (the Swedish state). The purpose of the program is to strengthen the company's ability to recruit and retain talented key employees, create a long-term confidence in and commitment to the group's long-term development, align key employees' interests with those of the shareholders, increase the part of the remuneration that is linked to the company's performance and encourage shareholding. The program rewards performance measured over a three-year period, is capped to a maximum value of 60% of the annual base salary and is equity based (delivered in Telia Company AB shares). A prerequisite for pay-out from the LTI program is the continuous employment during the length of the program.

The targets are Cash flow, Return on Capital Employed (ROCE), Total Shareholder Return (TSR) and Environmental, Social and Governance (ESG). The final allotment of Telia Company AB shares will be based 25% on Cash flow, 20% on a third-year final target for ROCE, 40% on TSR compared to a corresponding TSR development of a pre-defined peer group of companies and 15% on the ESG part. ESG is defined by three separate performance conditions based on Climate, Digital Inclusion and Privacy which have been set in line with targets in the Company's annual and sustainability reporting. The three ESG performance conditions entail 5% weight respectively.

The maximum number of Performance Shares a participant can receive is based on 30% of the participant's annual salary and related to the share price.

Cash flow represents 25% of the Performance Shares (or 7.5% of the participant's annual salary):
- If 100% (or above) of the Cash flow target is met, 100% of Performance Shares under the Cash flow part will be subject to allotment.
- If less than 90% of the Cash flow target is met, no Performance Shares under the Cash flow part will be subject to allotment.
- If 90% of the Cash flow target is met, 25% of Performance Shares under the Cash flow part will be subject to allotment.
- If between 90 to 100% of the Cash flow target is met, a proportionate amount of Performance Shares under the Cash flow part will be subject to allotment.

ROCE represents 20% of the Performance Shares (or 6% of the participant's annual salary):
- If 100% (or above) of the Company's ROCE target is met, 100% of Performance Shares under the ROCE part will be subject to allotment.
- If less than 90% of the Company's ROCE target is met, no Performance Shares under the ROCE part will be subject to allotment.
- If 90% of the ROCE target is met, 25% of the Performance Shares under the ROCE part will be subject to allotment.
- If between 90 to 100% of the ROCE target is met, a proportionate amount of Performance Shares under the ROCE part will be subject to allotment.

The TSR part represents 40% of the Performance Shares (or 12% of the participant's annual salary):
- If the Company's TSR is ranked first or second compared to the defined peer group of companies, 100% of the Performance Shares under the TSR part will be subject to allotment.
- If the Company's TSR is ranked third of fourth, 75% of the Performance Shares under the TSR part will be subject to allotment.
- If the Company's TSR is ranked fifth or sixth, 50% of the Performance Shares under the TSR part will be subject to allotment.
- If the Company's TSR is ranked seventh, 25% of the Performance Shares under the TSR part will be subject to allotment.
- If the Company's TSR is ranked eight or lower, no Performance Shares under the TSR part will be subject to allotment.

The ESG part represents 15% of the Performance Shares (or 4.5% of the participant's annual salary):
- If 100% (or above) of the ESG target is met, 100% of Performance Shares under the ESG part will be subject to allotment.
- If the minimum level is not reached, no Performance Shares under the ESG part will be subject to allotment.

- If the minimum level is reached, 25% of Performance Shares under the ESG part will be subject to allotment
- If between the minimum level and 100% of the ESG target is met, a proportionate amount of Performance Shares under the ESG part will be subject to allotment.

The program may be repeated annually. Similar programs were launched in 2010-2022. The prevalence of an LTI program is subject to the approval of the AGM. For more information on Telia Company's LTI programs, see Note C32 to the consolidated financial statements.

Legal and administrative proceedings

In its normal course of business, Telia Company is involved in a number of legal proceedings. These proceedings primarily involve claims arising out of commercial law issues and matters relating to telecommunications regulations and competition law. For further information regarding legal and administrative proceedings see Note C30.

Parent company

The parent company Telia Company AB (Corporate Reg. No. 556103-4249), which is domiciled in Stockholm, comprises group executive management functions including the group's internal banking operations. The parent company has no foreign branches.

Revenue and Goods and services purchased increased to SEK 2,024 million (1,713) and SEK -1,411 million (-1,107) respectively mainly due to increased Revenue and Goods and services purchased related to film and program rights.

Financial items, net 2023 increased to SEK 480 million (-5,572). 2023 was impacted by dividends from subsidiaries of SEK 6,641 million and positive foreign exchange rate gains partly offset by impairments of Telia Finland Oyj of SEK 2,450 million, Telia Norge AS of SEK 2,200 million and TV Media Holding AB of SEK 350 million. 2022 was negatively impacted by impairments of Telia Norge AS of SEK 8,600 million and Telia Finland Oyj of SEK 6,350 million, offset by the capital gain of SEK 11,055 million from the disposal of Telia Towers Sweden AB.

Non-current assets decreased to SEK 150,382 million (153,316) mainly due to decreased shares in subsidiaries and decreased non-current interest-bearing receivables from group companies.

Current assets increased to SEK 47,401 million (36,833) mainly due to increased cash and bank and short-term investments.

Untaxed reserves decreased to SEK 5,539 million (5,862) due to a net reversal of equalization reserves.

Non-current liabilities increased to SEK 83,127 million (79,871) mainly impacted by issued bonds and foreign exchange rate effects, partly offset by reclassifications to current liabilities.

Current liabilities and current provisions increased to SEK 43,546 million (32,831) mainly due to increased interest-bearing liabilities, unpaid dividend liability and reclassifications from non-current liabilities.

The equity/assets ratio was 31.2% (35.7), assuming a dividend of SEK 2.00 per share.

The average number of full-time employees was 250 (271).

Proposed appropriation of earnings

Proposed Appropriation of earnings:

	SEK
Non-restricted equity excluding net income	47,729,269,699
Net income	1,748,562,460
Total	**49,477,832,159**

The board proposes that this sum be appropriated as follows:

	SEK
SEK 2.00 per share dividend to the shareholders[1]	7,864,218,572
To be carried forward	41,613,613,587
Total	**49,477,832,159**

1) Based on outstanding shares as per December 31, 2023.

The dividend should be split and distributed into four equal tranches of SEK 0.50 per share in April 2024, August 2024, November 2024 and February 2025.

The Board of Directors is of the opinion that the proposed dividend, according to Chapter 18 Section 4 of the Swedish Companies Act, is justifiable. After distribution of the proposed dividend, the equity of the company and the group will be sufficient with respect to the nature, scope, and risks of the operations. Also, the company and the group are deemed to have a satisfactory level of liquidity, a consolidation need that is met and a satisfactory general financial position.

The full statement by the Board of Directors will be included in the AGM documentation.

AGM related documents are available at:
www.teliacompany.com/AGM

Country development in 2023

Sweden

The build-out of 5G continued at a high pace and population coverage reached 82% at the end of the year. Also, the modernization of the 4G network continued with the aim of further strengthening the customer experience, something that also this year was underlined by Telia's mobile network again was ranked as the best in Sweden by the independent benchmarking company umlaut. Another important event was that Telia secured spectrum in the 900MHz, 2.1GHz and the 2.6GHz bands, allowing Telia to have the leading spectrum position in the market as of 2026. The spectrum will be used to improve and develop Telia's national 4G and 5G networks, including rural areas with insufficient coverage and along the railways.

During the year, Telia continued to make progress to further improve and strengthen the customer experience for both its consumer and enterprise customers. Something that for example became apparent from Telia coming out on top in SKI's yearly survey around TV customer satisfaction, as well as from the launch of a new and improved mobile portfolio containing more flexibility, optionality, and value-added services. For its enterprise customers, Telia further cemented the position as the natural digitalization partner of choice from for instance launching the cloud based and easy to use communication solution, Telia Smart Connect. Telia's strong position in the Enterprise segment was also confirmed by Telia Cygate being awarded European service provider of the year by Hewlett Packard Enterprises.

Consumer segment service revenue increased by 0.8% as strong TV- and Broadband revenue development more than compensated for a continued decline in fixed Telephony revenue. In the Enterprise segment, service revenue increased 3.0% despite also seeing a continued decline in fixed Telephony revenue. This represents a substantial improvement compared to previous years and a great proof point of Telia's strong position, trusted brand and ability to provide high quality services and solutions to Swedish enterprise customers.

Revenue increased 2.2% to SEK 35,869 million (35,112) and like for like, revenue increased 2.1%, driven mainly by increased service revenue and partly also increased equipment sales.

Service revenue, like for like, increased 1.8% as growth in mobile-, TV-, Broadband- and Business solutions revenue more than compensated for continued pressure on fixed Telephony revenue.

Adjusted EBITDA increased 0.8% to SEK 13,615 million (13,508) and the adjusted EBITDA margin decreased to 38.0% (38.5). Adjusted EBITDA like for like increased 1.2%, supported by service revenue growth and cost efficiencies realized.

SEK in millions, except margins, operational data and changes	Jan–Dec 2023	Jan–Dec 2022	Change (%)
Revenue	35,869	35,112	2.2
Change (%) like for like	*2.1*		
of which service revenue (external)	*30,401*	*29,852*	*1.8*
change (%) like for like	*1.8*		
Adjusted EBITDA	13,615	13,508	0.8
Margin (%)	*38.0*	*38.5*	
change (%) like for like	*1.2*		
Adjusted operating income	6,655	6,422	3.6
Operating income	6,226	5,891	5.7
CAPEX excluding fees for licenses, spectrum and right-of-use assets	3,252	3,312	-1.8
Subscriptions (thousands)			
Mobile[1]	8,769	7,935	10.5
of which machine to machine (postpaid)	*4,286*	*3,395*	*26.2*
Fixed telephony[1]	313	431	-27.3
Broadband[1]	1,377	1,375	0.1
TV[1]	1,034	972	6.4
Employees[1]	4,053	4,172	-2.9

1) Restated, see Note C1.

CAPEX excluding fees for licenses, spectrum and right-of-use assets decreased to SEK 3,252 million (3,312), mainly driven by lower network investments.

The number of mobile subscriptions increased by ~833,000 during the year, driven by ~891,000 post-paid subscriptions used for machine-to-machine related services. Fixed broadband subscriptions increased by ~2,000 and TV subscriptions increased by ~62,000 during the year.

Finland

Work to close-down the 3G network was initiated during the year and at the same time Telia continued to modernize its mobile network and roll-out 5G. As a result, 5G population coverage reached 90% by the end of the year, compared to 79% a year ago. The significant efforts put in to improving the network over the last few years was also visible from Telia winning several awards regarding network quality. Furthermore, Telia shared the top position in the Finnish Digital Successes 2023 survey which assesses the customer experience in digital services of the largest Finnish companies and Telia also saw a significant improvement in the Sustainable Brand Index ranking 2023.

Revenue increased 9.1% to SEK 16,545 million (15,171) and like for like, revenue increased 1.1%, driven by increased service revenue. The effect of exchange rate fluctuations was positive by 8.1%.

Service revenue, like for like, increased 2.1% mainly supported by a 2.7% growth in mobile service revenue, driven by higher ARPU, but also partly by fixed service revenue increasing 1.8% driven mainly by increased Business solutions revenue.

Adjusted EBITDA increased 14.6% to SEK 5,093 million (4,443) and the adjusted EBITDA margin increased to 30.8% (29.3). Adjusted EBITDA like for like increased 6.2%, driven by increased service revenue coupled with lower operational expenses. The latter related to resource and marketing efficiencies realized, as well as lower energy costs following lower energy prices compared to previous year.

Operating income amounted to SEK -1,574 million (-8,716). Both years were impacted by impairment charges of SEK -2,800 million and SEK -9,500 million, respectively. See Note C12.

CAPEX excluding fees for licenses, spectrum and right-of- use assets decreased to SEK 1,494 million (1,566).

The number of mobile subscriptions decreased by ~58,000 during the year driven by both post- and prepaid subscriptions. Fixed broadband subscriptions increased by ~12,000 and TV subscriptions decreased by ~14,000 during the year.

SEK in millions, except margins, operational data and changes	Jan–Dec 2023	Jan–Dec 2022	Change (%)
Revenue[1]	16,545	15,171	9.1
Change (%) like for like	1.1		
of which service revenue (external)	*14,081*	*12,782*	*10.2*
change (%) like for like	*2.1*		
Adjusted EBITDA	5,093	4,443	14.6
Margin (%)	*30.8*	*29.3*	
change (%) like for like	*6.2*		
Adjusted operating income	1,444	915	57.9
Operating income	-1,574	-8,716	n/a
CAPEX excluding fees for licenses, spectrum and right-of-use assets	1,494	1,566	-4.6
Subscriptions (thousands)			
Mobile[1]	3,092	3,151	-1.9
of which machine to machine (postpaid)	*426*	*381*	*11.9*
Fixed telephony	12	14	-13.6
Broadband[1]	609	596	2.1
TV	664	678	-2.0
Employees[1]	2,464	2,711	-9.1

1) Restated, see Note C1.

Norway

In parallel with modernizing the mobile network, the 5G rollout continued to make good progress, and by year-end 5G population coverage reached 94% compared to 84% a year ago. Furthermore, Fjordkraft's mobile customers were migrated to Telia's award-winning mobile network, making Telia Norway the largest mobile wholesale provider in the country. In the Enterprise segment Telia Norway deepened its collaboration with Telia Sweden's subsidiary Telia Cygate, and both Telia as well as Phonero continued to be successful in the Public segment and signed agreements with for instance the municipalities of Oslo and Tromsø for connectivity services. In the Consumer segment, Telia continued to strengthen its position as the daring challenger and launched new and improved portfolios for both mobile telephony and wireless broadband connectivity.

Revenue increased 0.6% to SEK 15,114 million (15,022) and like for like, revenue increased 5.0% as increased service revenue more than compensated for lower equipment sales. The effect of exchange rate fluctuations was negative by 4.4%.

Service revenue, like for like, increased by 4.8%, driven predominantly by mobile service revenue increasing 6.5%, but partly also by a 1.7% increase for fixed service revenue. The latter primarily due to a positive development for revenue from TV and Business solutions.

Adjusted EBITDA increased 4.6% to SEK 7,062 million (6,750) and the adjusted EBITDA margin increased to 46.7% (44.9). Adjusted EBITDA like for like increased 9.2% driven predominately by the growth for service revenue.

CAPEX excluding fees for licenses, spectrum and right-of-use assets declined to SEK 2,381 million (2,932).

The number of mobile subscriptions decreased by ~39,000 during the year, of which ~15,000 attributable to post-paid subscriptions used for machine-to-machine related services. Fixed broadband subscriptions decreased by ~1,000 and TV subscriptions decreased by ~11,000 during the year.

SEK in millions, except margins, operational data and changes	Jan–Dec 2023	Jan–Dec 2022	Change (%)
Revenue	15,114	15,022	0.6
Change (%) like for like	5.0		
of which service revenue (external)	*12,854*	*12,803*	*0.4*
change (%) like for like	*4.8*		
Adjusted EBITDA	7,062	6,750	4.6
Margin (%)	*46.7*	*44.9*	
change (%) like for like	*9.2*		
Adjusted operating income	2,730	2,727	0.1
Operating income	2,197	-5,851	n/a
CAPEX excluding fees for licenses, spectrum and right-of-use assets	2,381	2,932	-18.8
Subscriptions (thousands)			
Mobile	2,340	2,379	-1.7
of which machine to machine (postpaid)	*181*	*196*	*-7.9*
Fixed telephony[1]	14	38	-63.8
Broadband[1]	499	500	-0.2
TV[1]	474	485	-2.2
Employees	1,249	1,334	-6.4

1) Restated, see Note C1.

Lithuania

Telia finalized during the summer its mobile network upgrade and 5G roll-out, following which the radio access network was fully switched to the new provider Ericsson and a population coverage of 99% was shortly reached thereafter. Furthermore, Telia came out as the operator having the fastest mobile internet in the country in a benchmarking study performed by the regulator. Telia's network also displayed the largest improvement amongst all operators compared to the previous study. Telia's strong network capabilities and credentials was also demonstrated via Telia, on an exclusive basis, being selected as the sole provider of internet and communications solutions for the NATO summit in Vilnius, as well as high-speed internet and digital communication for the American embassy and President Joe Biden's delegation. Something that resulted in Telia receiving commendations from the White House.

Revenue increased by 15.3% to SEK 5,516 million (4,784) and like for like, revenue increased by 6.7%, driven by increased service revenue. The effect of exchange rate fluctuations was positive by 8.6%.

Service revenue, like for like, increased by 7.6%, fairly equally driven by growth for mobile and fixed service revenue. Mobile service revenue growth of 9.1% was the result of customer base expansion coupled with also a growing ARPU, whereas fixed service revenue increased by 6.2% due to strong growth in Broadband and Business solutions revenue.

Adjusted EBITDA increased by 19.7% to SEK 2,019 million (1,688) and the adjusted EBITDA margin increased to 36.6% (35.3). Adjusted EBITDA like for like increased by 10.7%, attributable to the growth in service revenue, which more than compensated for a somewhat higher cost level.

CAPEX excluding fees for licenses, spectrum and right-of- use assets decreased to SEK 455 million (597).

The number of mobile subscriptions increased by ~39,000 during the year. Fixed broadband subscriptions decreased by ~1,000 and TV subscriptions increased by ~4,000 during the year.

SEK in millions, except margins, operational data and changes	Jan–Dec 2023	Jan–Dec 2022	Change (%)
Revenue	5,516	4,784	15.3
Change (%) like for like	6.7		
of which service revenue (external)	*4,259*	*3,663*	*16.2*
change (%) like for like	*7.6*		
Adjusted EBITDA	2,019	1,688	19.7
Margin (%)	*36.6*	*35.3*	
change (%) like for like	*10.7*		
Adjusted operating income	1,152	856	34.5
Operating income	1,115	850	31.1
CAPEX excluding fees for licenses, spectrum and right-of-use assets	455	597	-23.7
Subscriptions (thousands)			
Mobile	1,643	1,604	2.4
of which machine to machine (postpaid)	*321*	*322*	*-0.4*
Fixed telephony	155	175	-11.5
Broadband	*426*	*427*	-0.3
TV	261	257	1.4
Employees	1,480	1,555	-4.8

Estonia

Throughout the year Telia continued to roll-out 5G at a high pace, resulting in 5G population coverage increasing to 77% at year-end compared to 43% a year ago. Telia also closed its 3G network following a gradual countrywide dismantling and agreed with renewable energy solutions provider Sunly on the construction and operation of solar panel systems to power 100 of Telia's mobile sites for the next 15 years.

Revenue increased by 14.0% to SEK 4,145 million (3,637) and like for like, revenue increased by 5.5%, as increased service revenue more than offset somewhat lower equipment sales. The effect of exchange rate fluctuations was positive by 8.4%.

Service revenue, like for like, increased by 6.9%, driven by mobile- and fixed service revenue increasing 8.1% and 6.5%, respectively. Mobile service revenue growth was attributable to an expanding ARPU and subscriber base, whereas the fixed service revenue increase was predominantly driven by growth in Broadband, Business solutions and Other fixed revenue, which together more than offset a continued decline in fixed Telephony revenue.

Adjusted EBITDA increased by 21.6% to SEK 1,618 million (1,330) and the adjusted EBITDA margin increased to 39.0% (36.6). Adjusted EBITDA like for like increased by 12.6%, attributable to the growth in service revenue.

CAPEX excluding fees for licenses, spectrum and right-of- use assets increased to SEK 426 million (374).

The number of mobile subscriptions increased by ~34,000 during the year, of which ~32,000 attributable to post-paid subscriptions used for machine-to-machine related services. Fixed broadband subscriptions decreased by ~3,000 and TV subscriptions decreased by ~6,000.

SEK in millions, except margins, operational data and changes	Jan–Dec 2023	Jan–Dec 2022	Change (%)
Revenue	4,145	3,637	14.0
Change (%) like for like	5.5		
of which service revenue (external)	*3,456*	*2,994*	*15.4*
change (%) like for like	*6.9*		
Adjusted EBITDA	1,618	1,330	21.6
Margin (%)	*39.0*	*36.6*	
change (%) like for like	*12.6*		
Adjusted operating income	1,013	669	*51.6*
Operating income	999	734	36.0
CAPEX excluding fees for licenses, spectrum and right-of-use assets	426	374	13.8
Subscriptions (thousands)			
Mobile[1]	1,266	1,233	2.7
of which machine to machine (postpaid)	*481*	*448*	*7.2*
Fixed telephony	174	192	*-9.3*
Broadband[1]	273	276	-1.0
TV	194	200	-2.8
Employees	1,222	1,269	-3.7

1) Restated, see Note C1.

TV and Media

The advertising market weakened significantly during the year, especially in Sweden, resulting in that advertising revenue materially declined. To ensure efficiency, competitiveness, and relevance in an increasingly digital and competitive environment, a unit wide business transformation was launched. As part of this, C More was consolidated into TV4 and MTV, with new services launched as a result, including a Hybrid Video on Demand service (HVOD).

Revenue decreased by 5.0% to SEK 8,386 million (8,829) and like for like, revenue decreased by 6.7%. The effect of exchange rate fluctuations was positive by 1.7%.

Service revenue like for like decreased by 6.9% as a 3.6% increase for TV revenue was more than offset by a 12.6% decline for advertising revenue following a significant weakening of the advertising market in predominately Sweden.

Adjusted EBITDA decreased to SEK -225 million (276) and the adjusted EBITDA margin decreased to -2.7% (3.1). Adjusted EBITDA like for like decreased to SEK -221 million (276) mainly due to the pressure on advertising revenue.

Operating income amounted to SEK -2,149 million (-852). Both years were impacted by impairment charges of SEK -900 million and SEK -316 million, respectively. See Note C12.

CAPEX excluding fees for licenses, spectrum and right-of- use assets increased to SEK 185 million (182).

The number of direct subscription video on demand (SVOD) subscriptions increased by ~17,000 during the year.

SEK in millions, except margins, operational data and changes	Jan–Dec 2023	Jan–Dec 2022	Change (%)
Revenue	8,386	8,829	-5.0
Change (%) like for like	-6.7		
of which service revenue (external)	*8,359*	*8,826*	*-5.3*
change (%) like for like	*-6.9*		
Adjusted EBITDA[1]	-225	276	n/a
Margin (%)	*-2.7*	*3.1*	
change (%) like for like	*n/a*		
Adjusted operating income[1]	-1,123	-512	n/a
Operating income[1]	-2,149	-852	n/a
CAPEX excluding fees for licenses, spectrum and right-of-use assets[1]	185	182	1.6
Subscriptions (thousands)			
TV	802	785	2.2
Employees[1]	1,253	1,264	-0.9

1) Restated, see Note C1.

Other operations

Other operations mainly include operations in Latvia, Telia Finance and Group functions. SIA Telia Latvija, a leading enterprise telecom services provider in Latvia, was divested on June 1, 2022.

Revenue increased by 16.1% to SEK 5,025 million (4,330) and like for like, revenue increased by 8.4% driven by Latvia and Telia Finance.

Service revenue, like for like, increased by 9.2%, mainly driven by increased service revenue in Latvia and Telia Finance.

Adjusted EBITDA increased 15.7% to SEK 1,072 million (959) and the adjusted EBITDA margin declined to 21.3% (22.1).

In Latvia, revenue increased by 16.3% to SEK 3,566 million (3,065) and like-for-like, revenue increased by 6.4%, driven both by increased service revenue and equipment sales. Adjusted EBITDA increased by 15.7% to SEK 1,029 million (890) and like-for-like adjusted EBITDA increased 6.9%, as increased service revenue and equipment sales more than enough compensated for a higher cost level. The number of mobile subscriptions increased by 46,000 during the year.

Income from associated companies increased to SEK 97 million (96).

CAPEX, excluding fees for licenses, spectrum and right-of-use assets, decreased to SEK 5,435 million (6,303), of which SEK 0.6 billion was related to Latvia, SEK 0.8 billion to Telia Finance and SEK 3.9 billion to the central CPS unit and referring to items such as IT systems, mobile networks, products and platforms for the other segments to benefit from.

SEK in millions, except margins, operational data and changes	Jan–Dec 2023	Jan–Dec 2022	Change (%)
Revenue[1]	5,025	4,330	16.1
of which Latvia	*3,566*	*3,065*	*16.3*
Change (%) like for like	*8.4*		
Adjusted EBITDA[1]	*1,072*	*959*	*11.8*
of which Latvia	*1,029*	*890*	*15.7*
Margin (%)[1]	*21.3*	*22.1*	
Income from associated companies	*97*	*96*	*1.1*
of which Latvia	*126*	*117*	*7.9*
Adjusted operating income[1]	-1,010	-230	n/a
Operating income[1]	*-1,833*	*-1,271*	*n/a*
CAPEX excluding fees for licenses, spectrum and right-of-use assets[1]	*5,435*	*6,303*	*-13.8*
Subscriptions, (thousands)			
Mobile Latvia	1,445	1,399	3.3
of which machine-to-machine (postpaid)	*423*	*401*	*5.6*
Employees[1]	6,176	6,188	-0.2

1) Restated, see Note C1.

Discontinued operations (Denmark)

A final and binding agreement to sell Telia's operations and network assets in Denmark to Norlys was signed. The transaction, first announced on April 25, 2023, is in line with Telia's strategy to focus on markets in which there is a clear path to securing and defending leading market positions. Based on the signed sales agreement, the operations and network assets in Denmark to be sold are classified as held for sale and discontinued operations as of September 15, 2023. Danish units that will not be sold are included in Other operations within continuing operations. For more information on discontinued operations, see Note C34.

Revenue increased by 8.2% to SEK 5,679 million (5,247) and like for like, revenue increased by 0.3%. The effect of exchange rate fluctuations was positive by 7.9%.

Adjusted EBITDA increased by 7.2% to SEK 1,473 million (1,374) and the adjusted EBITDA margin decreased to 25.9% (26.2). Adjusted EBITDA like for like decreased by 5.9%.

CAPEX excluding fees for licenses, spectrum and right-of- use assets increased to SEK 734 million (692).

SEK in millions, except margins, operational data and changes	Jan–Dec 2023	Jan–Dec 2022	Change (%)
Revenue	5,679	5,247	8.2
Adjusted EBITDA	1,473	1,374	7.2
Margin (%)	*25.9*	*26.2*	
CAPEX excluding fees for licenses, spectrum and right-of-use assets	734	692	6.1

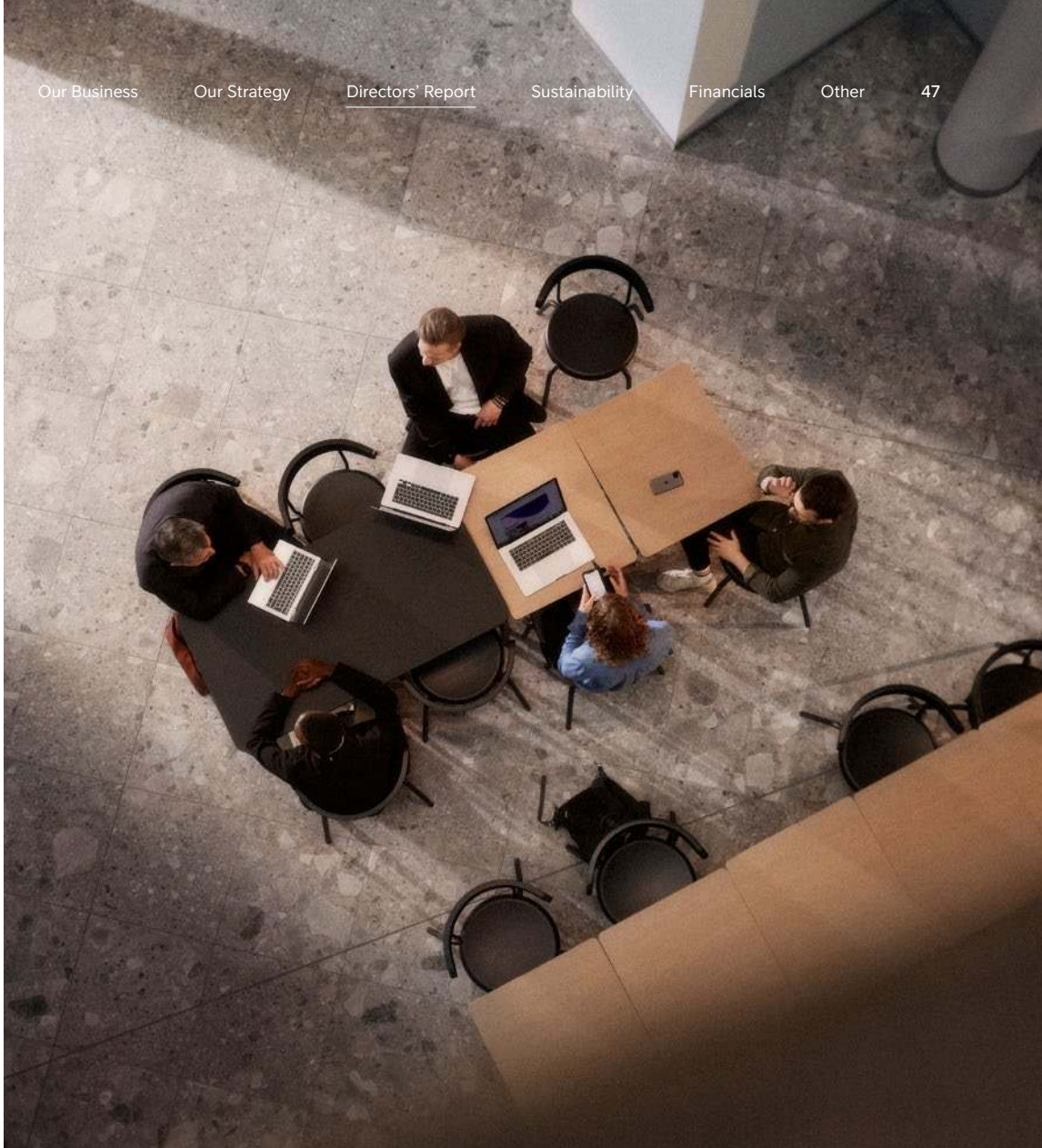
Risks

Telia Company's Risk Universe

Telia operates across seven geographical markets, offering a broad range of products and services spanning telecommunication, information technology and media. All markets are highly competitive and regulated. Telia has defined risk as anything that could have a material adverse effect on the achievement of its goals. Risks can be threats, uncertainties or lost opportunities relating to the company's current or future operations or activities.

Telia has an established Enterprise Risk Management Framework that it uses to regularly identify, analyze, assess and report strategic, business, financial, ethics and sustainability risks, and to manage such risks as appropriate. The Telia Risk Universe consists of a Principal Risk taxonomy based on Principal Risk areas and sub-risk areas that are identified and prioritized together with Group Executive Management, as the most material risks that impact the company's objectives and operations. The Principal Risks are assessed and aggregated across the whole company using the Enterprise Risk Management Framework. Risk management is an integrated part of Telia's business planning process and monitoring of business performance.

On the next page the main risks that could impact Telia's operations are presented.



Commercial risks

Risk materiality: ●●●○
Risk trend: →

Description
The macroeconomic situation is stabilizing, but there is a risk of setbacks. Higher interest rates and continued inflationary pressure are squeezing consumers and organizations. This situation has created a market trend of B2C customers migrating to low-frill brands and B2B customers scrutinizing their telecom and IT budgets.

The telecommunication, information technology and media industries are undergoing a historical transformation and there is an increasing need for innovation in how Telia conducts business and ensures growth to compete with existing and new types of competition. The company needs to continue to improve customer experiences and offerings, but also to explore new innovative propositions and value-accretive roles in evolving and emerging digital ecosystems that have a natural connection to its core telco assets.

Potential impact
Failure to anticipate and respond to the current economic headwinds and industry dynamics, and to continue to drive a change agenda to meet developing demands in the market, may affect Telia's customer relationships, service offerings, position in the value chain and financial result.

Mitigating activities
- Sustaining a premium or leadership position in network and trust is fundamental. This also supports pricing activities to offset inflationary pressure
- Increased focus on customer experience and leading, monitoring and reacting to changes in customer and market behavior
- Focused execution of digital transformation to ensure future business agility
- Focus on partner collaboration to drive value creation

Corruption and unethical business practices risks

Risk materiality: ●●●○
Risk trend: →

Description
Telia is exposed to the risk of corruption in its business operations despite a strong and prioritized anti-bribery and corruption (ABC) program. The risk of corruption – including conflicts of interest – is present in, for example, contracting with third parties and third-party management, the complexity and length of Telia's supply chains, and the geographical reach of Telia's global business. There is also the inevitable risk of wrongly motivated human factors in business operations, and all of this together leads to a risk of non-compliance with applicable regulations and Telia's internal rules. These risks are even more prevalent in the current macroeconomic landscape characterized by high inflation and living costs.

Potential impact
Actual or perceived corruption or unethical business practices may damage Telia's reputation. Actual corruption may result in the loss of trust and customers, financial penalties and debarment from procurement and institutional investment processes.

Mitigating activities
- Launch of the updated Telia Code of Conduct
- ABC program implemented in all parts of the organization. This includes conflict of interest disclosures
- Continuous development and testing of ABC-related controls, including implementation of measures to improve automatic controls
- Increased focus on ABC training and workshops in general during Q1/Q2 2023

See the chapter on **Anti-bribery and corruption**.

Cybersecurity, network quality and resilience risks

Risk materiality: ●●●○
Risk trend: ↗

Description
Telia's ability to deliver high-quality and secure services is fundamental to its customers and critical for the company's commercial success. Maintaining this ability requires networks and systems that are stable and secure.

Hybrid warfare is the new reality, and geopolitics and cybersecurity are inextricably linked. Cyberattacks aimed directly at Telia and its customers are increasing and becoming more sophisticated. As a provider of critical services, Telia is also subject to a large amount of new security legislation, such as the Network and Information Security Directive 2 (NIS 2) and the Digital Operational Resilience Act (DORA).

Potential impact
Successful cyberattacks may lead to loss of data and disturbances in service delivery. Failure to meet customers' security and quality requirements may lead to sanction costs, fines, contract penalties, damage to Telia's reputation and customer churn. New security and national security regulatory requirements may impact how the company builds its infrastructure and ways of working, potentially leading to cost increases. Failure to transform legacy technology and platforms in Telia's value chains will result in decreased service quality and increased cybersecurity vulnerabilities.

Mitigating activities
- Business continuity planning, incident management and crisis management
- A cybersecurity program is in place, ensuring Telia has the ability to protect itself against and recover from security threats
- The new security requirements are being reviewed and included in a dedicated compliance program
- An operational excellence program proactively assesses and audits weaknesses in the operational capabilities of all business-critical services and platforms

See the chapter on **Privacy and security**.

Environment risks

Risk materiality: ●●●○
Risk trend: ↗

Description
Telia notes increasing requirements and expectations from customers, policymakers, investors and others to manage negative impacts on the climate and the environment. In 2022-2023, this has formalized into a legal trend whereby the Corporate Sustainability Reporting Directive (CSRD) and Corporate Sustainability Due Diligence Directive (CSDDD) are making work that was once voluntary mandatory. Due to climate change, increasing numbers of extreme weather events pose risks to Telia's infrastructure and services. The company therefore needs to focus on playing its part by achieving the environmental targets it has set for 2030 and 2040.

Potential impact
Failure to deliver on Telia's commitments and goals and meet stakeholders' requirements and/or expectations may lead to a negative reputation, loss of revenues, inability to attract talent or limited access to capital. Increasing electricity prices, scarcity of renewable energy certificates or the introduction of carbon taxation will increase operational costs. Extreme weather may lead to operational disruptions and drive the need for additional investments.

Mitigating activities
- Ambitious short-, mid- and long-term environmental goals, including those covering greenhouse gas (GHG) emissions and waste. This includes the Science Based Targets initiative and related programs
- Further integration of sustainability into the 2024-2026 strategy
- Continued work to get Telia's suppliers to set science-based targets
- Increased focus on reducing the environmental footprint of Telia's products and services

See the chapter on **Climate and circularity** and Telia's Task Force on Climate-related Financial Disclosures (TCFD) report in **Sustainability Note S4**.

Execution and Transformation risks

Risk materiality: ●●●○
Risk trend: ↗

Description
To effectively execute its strategy, Telia invests in business transformation programs to improve agility and flexibility, reduce cost and complexity and increase competitiveness. The success of transformation and growth initiatives depends on managing the current inflationary headwinds, the company's ability to execute, the delivery of suppliers and partners, and the dynamics of fast-shifting customer behavior. AI is a prioritized technology for Telia as it has the potential to improve customer experience, optimize network performance and enable new business models. However, it is important that this technology is adopted in a responsible way.

Potential impact
Failures in the execution of Telia's business transformation and growth initiatives could lead to delayed or reduced value creation. This would defer revenue upside, cost reductions and efficiency gains from transformed operations. Several risks and opportunities have been identified in relation to AI, covering areas such as commercial, talent attraction, security, privacy and sourcing.

Mitigating activities
- Continued strengthening of the strategy-to-execution process by simplifying, digitalizing and improving ways of working
- Realignment of the transformation ambition to allow for a more focused approach and reduced investments
- Full focus on transformation initiatives with risk for delay. This includes internal reviews and following up with suppliers
- Coordinated approach with clear governance to manage the deployment of AI
- Continued focus on agile work transition

Impairment losses and asset retirement obligations risks

Risk materiality: ●●●○
Risk trend: →

Description
Factors affecting the markets Telia operates in and changes in the economic, regulatory, business or political and societal environment may negatively affect management's expectation of future cash flows. Telia may then be required to recognize asset impairment losses, including but not limited to goodwill.

Telia has made provisions for asset retirement obligations related to dismantling and handling of assets used in its operations, such as impregnated telephone poles and restoration of mobile and fixed network sites.

Potential impact
Significant adverse changes in the economic, regulatory, business or political and societal environment, as well as in business plans, may require Telia to recognize asset impairment losses with a negative effect on operating income.

Costs associated with dismantling and handling of assets may exceed the estimated asset retirement obligations, with a negative impact on operating income and cash flow.

Mitigating activities
- Management constantly reviews and refines business plans and may make exit decisions or take other actions to effectively execute on business strategy
- Asset retirement provisions are reviewed and updated to reflect the best estimate of the obligations

Macroeconomic and geopolitical risks

Risk materiality: ●●●○
Risk trend: ↗

Description
The macroeconomic environment continues to impose significant financial risks for Telia, although some events have stabilized, and the related effect has been easier to assess. Current key risk factors include a risk of continued high inflation, increasing interest rates and continued volatility in the energy market.

The length, impact and outcome of ongoing geopolitical conflicts such as the war in Ukraine and the Israel-Gaza crisis are highly unpredictable. Tensions between China and Taiwan contribute to increasing supply-chain uncertainties that may develop into a global semiconductor shortage.

Potential impact
Challenges in the macroeconomic environment are impacting Telia in several ways. Examples include increased costs – particularly those related to funding, the supply chain and personnel – and changes in customer buying patterns, including a negative impact on the advertising business. Supply-chain disruptions will likely lead to further price increases and delivery challenges for Telia.

Increased geopolitical tension may increase the risk of cyberattacks that directly target the operations of Telia and its customers, or of cyberattacks that target other critical infrastructure in society, thereby having an indirect impact on the company.

Mitigating activities
- Structural cost takeouts and a more systematic approach to pricing
- Further improved control of capital expenditure
- Risk management work relating to financial markets risks and funding
- Active monitoring of the geopolitical risk landscape (e.g., Ukraine and Taiwan) and assessing any impact on Telia's business
- Risk assessments and preparation of contingency plans
- Increased crisis coordination throughout the group to mitigate potential negative impacts

Privacy risks

Risk materiality: ●●●○
Risk trend: →

Description
Vast amounts of data are generated in and through Telia's services and networks and Telia has a responsibility to ensure that it processes this data in accordance with laws and protects it from misuse, loss, unauthorized disclosure or damage. Data protection regulations are becoming increasingly strict, while technological developments are enabling new, efficient and cost-effective cloud-based solutions. A balance between these two trends needs to be achieved. Privacy is also linked to the increased use of AI, and it is important that Telia manages how personal data is used.

Potential impact
Potential issues related to privacy compliance or personal data breaches may lead to violation of data subjects' privacy. Failing to comply with national and EU legislation may result in significant financial penalties and loss of trust.

Mitigating activities
- Continuous compliance reviews of General Data Protection Regulation (GDPR) implementation
- Ongoing implementation of common tools and processes to further improve the quality and control of compliance with privacy requirements
- Mandatory training on data protection and privacy awareness for all employees
- Continuous tracking of legal and regulatory changes and technological and operational developments

See the chapter on **Privacy and security**.

Regulation and licenses risks

Risk materiality: ●●○○
Risk trend: →

Description
Telia operates within a heavily regulated industry and must navigate a landscape of evolving legislation and court precedents. In recent years, the regulatory focus in the EU has moved away from primarily concentrating on network competition to place greater emphasis on sustainability, the digital economy and security. The risks within this regulatory framework encompass various aspects, including competition-related challenges, potential litigations, contractual obligations and other legal compliance issues.

Potential impact
Regulatory changes, fragmented local implementation and interpretation, as well as decisions by regulatory authorities or courts, including the granting or amending of telecom licenses and spectrum permits and increasing national security requirements, may affect Telia's strategy, ability to conduct business and financial results. Furthermore, non-compliance with competition laws and regulations could lead to legal sanctions, financial penalties, reputational harm and disruption of business operations.

Mitigating activities
- Proactive outreach to legislators and regulators when laws are adopted and implemented, as well as when laws are applied locally
- Continuous legal and regulatory monitoring to provide timely advice and assistance throughout the organization
- Working closely with the line organization to build competence and ensure the integration of legal analysis and advice early on in all relevant processes

Supply chain and third-party management risks

Risk materiality: ●●●○
Risk trend: ↗

Description
Telia relies on a vast number of suppliers, partners, and customers. Despite efforts to conduct due diligence and audits, suppliers and business partners may be in violation of Telia's Supplier Code of Conduct, other requirements, laws and regulations. Third parties may also be in scope for national or international sanction programs, negatively affecting Telia's business. Even though the severe semiconductor shortage that started in 2020 is over, certain product categories still require additional focus to secure a stable supply chain.

Potential impact
The failure of Telia's suppliers and partners to adhere to relevant laws, regulations and supplier requirements may violate human and labor rights. Such failures or perceived failures may also damage the perception of Telia. There is also a related supply chain risk as suppliers that do not comply with laws and regulations may need to terminate their operations. Violation of national and international sanction programs may result in penalties and damage to Telia's brand and reputation.

Mitigating activities
- Telia's Supplier Code of Conduct is included in supplier contracts
- A project is ongoing to update the process for screening and due diligence associated with suppliers, customers and other business partners
- A risk-based supplier due diligence process is in place
- Screening and due diligence processes are performed for high-risk suppliers, partners and customers
- Ongoing work with the sourcing category strategies, in collaboration with stakeholders, to keep track of, and avoid, dependencies where possible

See the chapter on **Responsible sourcing**.

Capabilities, skills, competence and leadership risks

Risk materiality: ●●○○
Risk trend: →

Description
People are at the core of everything Telia does, and their engagement, effort and talents enable the company to execute its strategy. Key risks in this area include talent attraction and retention, developing capabilities and competencies, employee engagement and productivity, fostering a strong culture based on Telia's purpose and values, developing leaders and providing a working environment that is safe, both physically and psychologically.

Potential impact
A shortage of critical capabilities and competencies could lead to a shift in workforce composition and limit the progress on transformation. Disengaged employees are less productive, less loyal and more likely to leave. The high pace of change, cost pressures and ambiguity within the company could have a negative impact on employee health and well-being.

Mitigating activities
- Continue the work to drive strategic workforce planning, talent and skills mapping, and upskilling/reskilling of existing workforce
- Partnering and targeted recruitment efforts within specific competence areas
- Frequent employee surveys and following up
- Strengthening the culture journey by focusing on bringing Telia's values to life
- Continuing the rollout of the updated leadership development portfolio
- Establishing a framework with which to assess the psychosocial work environment and implementing strategies to enhance a positive workplace atmosphere

Social and ethical risks

Risk materiality: ●●○○
Risk trend: ↗

Description
Telia is committed to respecting human rights across its value chain and works actively with human rights topics that are material, such as children's rights, digital inclusion, freedom of expression and government surveillance, media freedoms and labor rights in its supply chain. Transparency requirements are increasing, which is reflected in new and upcoming laws such as the EU Corporate Sustainability Due Diligence Directive and Norway's Transparency Act. Telia's Code of Conduct serves as an ethical compass for all employees and the code is supported by measures such as the Speak-Up Line, which helps to identify potential instances of non-compliance.

Potential impact
Telia's operations, reputation, stakeholder relationships, and compliance with ethical standards and social responsibilities.

Mitigating activities
- Telia applies continuous human rights due diligence and conducts human rights impact assessments when there is a need for greater insight into the risk in question. This strategy is described in the Sustainability section chapter on Human rights
- Please refer to Supply chain and third-party management risks for related work in that area
- An adapted responsible sourcing process has been developed based on TV and Media needs
- Updates to Telia's Code of Conduct, combined with strong messaging from top management, and related training and education
- Ongoing monitoring of the upcoming Corporate Sustainability Due Diligence Directive

See the chapter on **Human rights**.

Statement of Materiality and Significant Audiences

Telia Company AB is registered in Sweden and is bound by the Swedish Companies Act (2005:551). The Act requires the Board of Directors to govern the company in a way that is profitable and creates value for its shareholders. By integrating sustainability and responsible business practices in all aspects of business and strategy, Telia creates long-term value for shareholders and supports sustainable development.

Telia plays a vital role in dealing with current and future societal and environmental challenges, which in turn increasingly define the playing field for economies of all sizes. The company also has an obligation to manage risks, impacts and opportunities. Telia takes a double materiality approach by assessing both how the company is impacting people and the environment and how people and the environment are impacting the company. Engagement with key stakeholder groups is an important component of the company's efforts to identify, understand and manage the most material current and future impacts and ensure that Telia makes a substantial contribution towards the UN Sustainable Development Goals. The company regularly monitors and discloses progress through this combined Annual and Sustainability Report.

Significant stakeholder groups are defined as:
- Consumers
- Business customers
- Employees
- Investors
- Suppliers and partners
- Society

Telia is committed to a number of international standards and initiatives related to anti-corruption, environmental responsibility, human rights and labor rights, including:
- The UN Universal Declaration of Human Rights
- The core conventions of the International Labour Organization (ILO)
- The OECD Guidelines for Multinational Enterprises
- The UN Global Compact
- The UN Guiding Principles on Business and Human Rights
- The Children's Rights and Business Principles
- The 1.5°C ambition expressed in the Paris Agreement

The content of these standards and initiatives forms the foundation of Telia's Code of Conduct, which is approved by the Board and further elaborated through our policies and instructions.

Corporate Governance Statement

Corporate Governance
This Corporate Governance Statement has been adopted by the Board. It has been prepared according to the Swedish Corporate Governance Code and the Swedish Annual Reports Act and has been examined by the external auditors. The Statement presents an overview of Telia Company's corporate governance model and includes the Board's description of the internal control environment and risk management regarding financial reporting.

It is the opinion of the Board that Telia Company in all respects complied with the Swedish Corporate Governance Code during 2023.

Updated information required by the Swedish Corporate Governance Code is available at **www.teliacompany.com/en/about-the-company/corporate-governance/** *(Information on the Telia Company website does not form part of this Statement)*

Governing Bodies
Telia Company's main governing bodies are:
- The Shareholders at the General Meeting
- The Board of Directors
- The Chief Executive Officer (CEO), assisted by Group Executive Management (GEM)

Shareholders

Telia Company is a Swedish public limited liability company and is bound by the Swedish Companies Act, the Nordic Main Market Rulebook for Issuers of Shares, the Swedish Corporate Governance Code and the company's Articles of Association, as well as other relevant Swedish and foreign laws and regulations. The General Meeting is the company's highest decision-making forum, where owners exercise their power as shareholders.

For further information, see the Swedish Companies Act (2005:551), the Annual Reports Act (1995:1554) and the Securities Market Act (2007:528) at **www.riksdagen.se/en** *or* **www.government.se**, *Nasdaq Stockholm issuer rules and surveillance at* **www.nasdaq.com/market-regulation/nordics/stockholm** *and the Swedish Corporate Governance Code and specific features of Swedish corporate governance at* **www.corporategovernanceboard.se**

Telia Company has one type of share. Each share represents one vote at the General Meeting. As of December 31, 2023, Telia Company had 462,350 shareholders. The Swedish state was the largest individual shareholder at year-end 2023, owning 41.1% of the total shares. For companies with state ownership, the Swedish government has issued an ownership policy, which sets forth requirements related to, inter alia, responsible business, diversity and gender balance. In companies where the state does not have majority ownership, the state acts in dialogue with other owners to promote the application of the policy.

The Telia Company share is listed on Nasdaq Stockholm and Nasdaq Helsinki. For more information on the Telia Company share and the shareholder structure, **see the Directors' Report**.

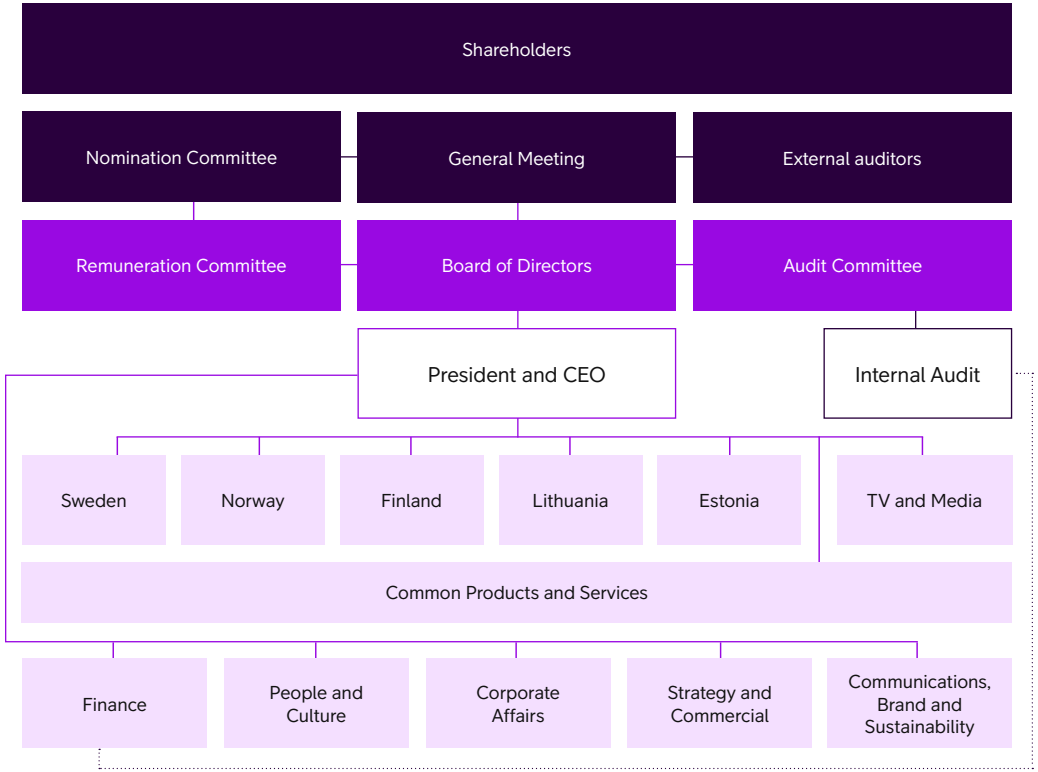
Annual General Meeting 2023

The AGM 2023 was held in Solna on April 5, 2023. The AGM decided, among other things, on the following:

- Approval of the income statement and balance sheet
- Discharged the Board members and CEO from liability
- Election of Board members
- Election of auditors
- Appropriation of earnings guidelines for Group Executive Management remuneration
- Long-term incentive program for key employees and transfer of own shares
- Authorization for the Board to decide on repurchase of the company's own shares, within certain limits, and transfer of the same shares
- Reduction of the share capital by cancellation of own shares

Telia Company's Articles of Association are available at **www.teliacompany.com/en/about-the-company/corporate-governance/articles-of-association** *and AGM minutes and related documents at* **www.teliacompany.com/en/annual-general-meeting** *(Information on the Telia Company website does not form part of this Statement)*

Telia Company's Governing Bodies 2023



Nomination Committee

The Nomination Committee shall, in accordance with the relevant instruction, be nominated by the 4 largest shareholders in terms of votes at the end of July the year before the AGM, provided they are willing. Telia Company's Nomination Committee for AGM 2024 has been appointed based on the ownership structure as of July 31, 2023, and consists of:

- Magnus Johansson, Chair (the Swedish state)
- Johannes Wingborg (Länsförsäkringar Fondförvaltning)
- Sussi Kvart (Handelsbanken Funds)
- Emilie Westholm (Folksam)

In addition, Lars-Johan Jarnheimer (Chair of the Board of Directors), has been appointed as a co-opted member of the Committee.

The AGM 2023 adopted instructions for the work of the Nomination Committee, including to:

- Propose the number of board members elected by the AGM
- Nominate the Chair, the Vice-Chair and other Board members
- Propose the Board remuneration that is divided among the Chair, the Vice-Chair and other Board members and remuneration for serving on committees
- Nominate the Chair of the AGM
- Nominate the external auditors and propose remuneration payable to the auditors

The Nomination Committee performs interviews and receives information from the Chair of the Board, other Board members, including employee representatives, and the CEO on internal work of the Board, Telia Company's position and strategic direction and other relevant circumstances and receives an internal evaluation of the Board. Based on this information, the Nomination Committee assesses the functioning of the Board and the competence required on the Board as a whole.

The Nomination Committee has concluded that competence is currently required from:

- The telecommunications industry and industries closely related to it
- Digitalization
- Relevant markets
- Consumer-oriented operations and markets
- Sustainability work
- Board work in listed companies
- Media
- Executive leadership
- Transformation and change processes
- Finance

Based on the needs identified, the Nomination Committee evaluates the competence of the current Board members and the aggregated composition of the Board. Considering future competence and experience needs, diversity – including gender – considerations and the professional backgrounds and competence of current Board members, the Nomination Committee nominates Board members to the AGM.

The Nomination Committee has reported that it complies with the provisions of the Swedish Corporate Governance Code and that it intends to report its activities on the company's website. In its work, the Nomination Committee applies rule 4.1 of the Swedish Corporate Governance Code as its diversity policy. The Nomination Committee has considered the importance of composing a well-functioning Board that exhibits diversity and a breadth of qualifications, experience and backgrounds. The Nomination Committee has specifically discussed gender diversity as part of its efforts to compose a balanced and competent Board. The Board currently consists of 4 female and 5 male members, elected by the AGM.

The AGM 2023 resolved to appoint Board members in accordance with the Nomination Committee's proposals. The Nomination Committee reviews its instructions annually and proposes changes to them to the AGM, as necessary.

Shareholders are welcome to send nomination proposals to the Nomination Committee. Proposals can be sent by e-mail to **forslagtillstyrelseledamot@teliacompany.com**

Board of Directors

Responsibilities
The Board is responsible for the organization of the company and the administration of the company's affairs. The Board regularly assesses the financial position of the company and the group and ensures that the company is organized so that accounting, management of funds and the company's financial conditions, in general, are controlled in a satisfactory manner.

The tasks of the Board include, among other things, to:
- Establish business objectives and strategy
- Appoint, continuously evaluate and, if required, remove the CEO from office
- Ensure that there are effective systems in place for monitoring and controlling of the company's operations and financial position compared to its stated objectives
- Ensure that there is satisfactory control of the company's compliance with laws and other regulations applicable to the company's operations
- Ensure that policies to govern the company's ethical conduct are adopted
- Ensure that the company's external disclosure of information is marked by openness and is correct, relevant and reliable

Instructions for the work of the Board are set forth in its rules of procedure, which are reviewed and adopted annually. The rules of procedure set out the number of ordinary Board meetings, agenda items and matters to be addressed at ordinary Board meetings, the duties of the Chair of the Board and the allocation of responsibilities between the Board and the CEO, including the CEO's reporting to the Board. It also includes instructions for the work in Board Committees, inter alia, stipulating the Committees' duties, the number of Committee meetings, matters to be addressed at the meetings, and reporting to the Board.

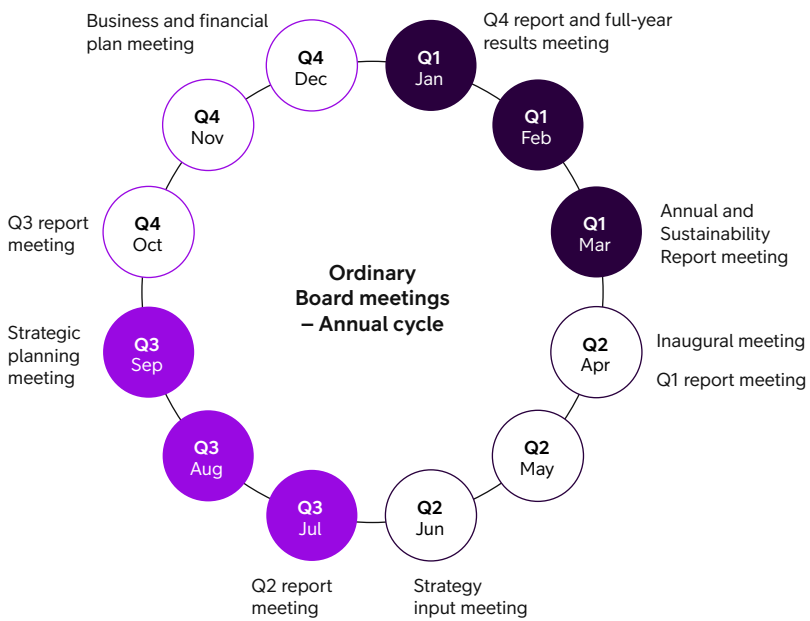
Members and independence
The Board consists of nine members elected by the AGM, serving one-year terms, and three employee representatives (with three deputies) from the Swedish operations. Lars-Johan Jarnheimer is the Chair of the Board. The other Board members, elected by the AGM 2023, are Ingrid Bonde (Vice-Chair), Luisa Delgado, Rickard Gustafson, Jeanette Jäger, Jimmy Maymann, Johannes Ametsreiter, Tomas Eliasson and Sarah Eccleston. Nina Linander was not available for reelection at the AGM 2023.

In accordance with the guidelines of the Swedish Corporate Governance Code, all Board members elected by the General Meeting are considered to be independent of the company, the company's Group Executive Management and major shareholders.

The Board members are presented in more detail, including their meeting attendance, remuneration and holdings of Telia Company shares, at the end of this Statement.

Annual work cycle
The work of the Board follows an annual cycle, enabling the Board to appropriately address each of its duties and to keep strategic issues, risk assessment and value creation high on the agenda.

The Board's Annual Work Cycle



Board meetings are normally held in Solna, Sweden, but the Board's ambition is to hold at least one meeting elsewhere to be able to discuss local issues more deeply, make specific site visits, etc.

Board meetings
The annual Board cycle starts and ends at the AGM. During the year approximately nine ordinary meetings are held, including the inaugural meeting and a two-day strategy meeting. The meetings address, among other things:

- Approval of financial reports and the Annual and Sustainability Report
- Review and assessment of financial forecasts, investments, business plans and progress towards sustainability goals
- Budget review and approval
- Strategy review and evaluation
- Review and approval of key policies as well as governance documents
- Dividend proposal
- Issues that shall be referred to the Board, in accordance with laws and governance documents, inter alia
- Self-assessment of Board work and Board members
- Target setting
- Risk reports
- Performance review of the CEO
- Organization and management issues
- Discussion with the auditor of the group without the presence of the CEO or Group Executive Management

Board work in 2023
In 2023, the Board held 9 ordinary meetings (whereof 1 inaugural meeting) and 3 extra meetings. In addition to following up on the day-to-day business of the group, the Board paid special attention to:

- Strategic options, with specific review of the changing business environment in the telecom industry
- Follow-up of major strategic initiatives within the business operations
- Operating model and organizational issues
- Integration of sustainability in the company business strategy
- M&A activities, including the reaching of an agreement to sell the company's Danish business
- Review of efficiency initiatives and cost-reduction programs
- Regulatory developments in the telecom industry
- Potential acquisitions and joint ventures
- Investments in telecom licenses and spectrum permits
- Follow-up of capital expenditures
- Capital structure of the group
- Issues related to human resources, in particular succession planning and performance management

Further, the Board evaluated its internal work during 2023 and the result was reported to the Nomination Committee.

Board Committees
To improve Board work efficiency, the Board has appointed a Remuneration Committee and an Audit Committee. The Committees prepare recommendations for the Board and make proposals on matters that require the Board's approval. The Committees also continuously give reports to the Board in relation to its work.

Remuneration Committee
Among other things, the Remuneration Committee assists the Board by preparing proposals on remuneration and monitoring and evaluating, on a regular basis, remuneration structures and levels for the CEO, other members of Group Executive Management, and the rest of the company.

Audit Committee
Among other things, the Audit Committee assists the Board to fulfill its responsibilities in relation to financial reporting, internal control, internal and external audit, enterprise risk management (ERM) and the company's process for monitoring compliance with laws and regulations within financial reporting, accounting standards and other requirements for listed companies, as well as monitoring the company's risk and compliance work. In addition, the Committee approves the appointment and dismissal of the Head of Internal Audit. The Audit Committee also reviews the annual report and interim financial reports and oversees the external audit process.

Remuneration Committee work in 2023
Lars-Johan Jarnheimer is the Chair of the Remuneration Committee. In 2023, the Committee held 5 meetings. Its work included, among other things:

- Guidelines for remuneration and evaluation of remuneration policies and programs as well as to prepare a remuneration report
- Variable pay and long-term incentive programs
- Succession planning and talent management
- Performance management
- Remuneration to the CEO and Group Executive Management
- Approval of recruitments of officers at senior management level

Organization of the Board

Board of Directors
12 members (of which 3 employee representatives)

Lars-Johan Jarnheimer, Chair of the Board

Remuneration Committee
3 members

Lars-Johan Jarnheimer (Chair)
Luisa Delgado
Rickard Gustafson

Audit Committee
3 members

Tomas Eliasson (Chair)
Ingrid Bonde
Johannes Ametsreiter

Audit Committee work in 2023
Tomas Eliasson is the Chair of the Audit Committee. In 2023, the Committee held 7 meetings. Its work included, among other things:

- Supervision and review of the company's financial reporting process and procedures for financial information and annual accounts
- Review and approval of accounting principles pertaining to financial reporting
- Review of annual accounts, the Board's Report, the Corporate Governance Statement and reporting within the sustainability area
- Review of assessments concerning asset valuation, treasury and operational risks (including assessment of, and actions taken in response to, whistleblower reports)
- Monitoring financial statements and interim reports and making recommendations and proposals to ensure accurate reporting
- Monitoring the efficiency of the internal control and risk management systems with respect to financial reporting
- Review of risks and risk management issues to be presented in the Annual and Sustainability Report and financial statements
- With regards to the external auditors: Monitoring and reviewing the audit of the financial statements and follow-up of recommended actions; review and approval of audit plans, review impartiality, independence and performance of the external auditors; submitting recommendations on the election of external auditors; as well as closed sessions with external auditors without management present
- With regards to the internal auditors: Review and approval of the internal audit charter and internal audit plan; review of audit reports and the follow-up process of monitoring the implementation; review of the performance of Internal Audit; and closed sessions with Head of Internal Audit without management present
- With regards to risk and compliance: Review of the company's risk appetite and ERM system; the risk portfolio and its development; the Governance, Risk and Compliance function and related programs; reports on investigations – including speak-up cases; and reports on Risk and Compliance – including the company's risk control report (containing all prioritized risk areas) and top risk portfolio
- Monitoring the company's preparations for CSRD compliance, ensuring a plan for and progress in enhanced reporting capability and the changes needed in company processes to meet the new reporting standard. Reviewing the Double Materiality Assessment process

The Remuneration Committee and the Audit Committee evaluated their internal work during 2023 through self-assessment.

CEO and Group Executive Management

The CEO is responsible for the company's business development and leads and coordinates the day-to-day operations in accordance with the Board's instructions for the CEO and other decisions made by the Board.

Headed by the CEO, Group Executive Management comprises the CEO, CFO, COO, General Counsel and Head of Corporate Affairs, Head of People & Culture, Chief Strategy & Commercial Officer, Head of Communication, Brand and Sustainability, CEO of Telia Sweden, CEO of Telia Norway, CEO of Telia Finland and Head of TV and Media.

Group Executive Management meets monthly, and its meetings are devoted to following up on matters of strategic and business performance, including sustainability, major change programs and group-wide risks.

As of February 1, Patrik Hofbauer is the President and CEO of Telia Company. The members of Group Executive Management are presented in more detail, including their remuneration and holdings of Telia Company shares, at the end of this Statement.

Group-wide Governance Framework

Sound principles for corporate governance are an important prerequisite for building trust between Telia and its stakeholders and securing shareholder value. Owners, investors, customers, employees and other key parties should always be confident that the company's business activities are characterized by reliability, control, transparency and high ethical standards. The aim of the Group-wide Governance Framework is to ensure that Telia's strategy, risk appetite, culture and values are aligned with its objectives and stakeholder interests, and that the company complies with relevant laws and regulations.

The framework is designed to:

- Ensure that the company possesses the understanding and capabilities to fulfil promises and commitments to its customers, shareholders and employees
- Ensure that operational results reflect established decisions, inspiring every employee to collaborate towards common goals within set guidelines
- Establish a common and clear understanding of the company's purpose, values, roles, responsibilities and authority to act

The Group-wide Governance Framework is approved by the Board.

Group-wide governance framework

Customer promises and key stakeholder obligations

Deciding what we shall achieve	Setting the boundaries for how we act	Delivering on our promises	Following up on performance
• Purpose • Strategic priorities • Financial, operational and sustainability targets	• Core values • Risk appetite • Company Governance • Governing bodies • Delegation of authority • Policy framework • Code of Conduct	• Strategy to execution • Business processes • Organization and resources	• Business reviews • Risk and compliance reviews • Individual performance management

Customer promises and key stakeholder obligations

Telia's customers are at the heart of all its actions. Commitments to customers, shareholders and other stakeholders guide the company's goals and shape the values it aims to uphold.

Deciding what to achieve

Telia's overall aim is to create a company that is better for its customers, employees, owners and the societies in the Nordics and the Baltics.

Purpose

To provide overall guidance for employees, the Board has approved a purpose statement: "We reinvent better connected living". The purpose is a clear direction for the strategy to create a Better Telia, grow the business and deliver sustainable value creation.

Strategic Priorities

Led by its purpose of reinventing better connected living, Telia aims to grow its business and deliver sustainable value creation for shareholders through four strategic priorities.

- *Inspiring customers*
  Inspiring customers with brands and experiences that go beyond connectivity is about ensuring that Telia delivers the best possible digital communications experiences to 24 million customers across its footprint.
- *Connecting everyone*
  Connecting everyone through the most trusted, reliable and efficient modern networks is about strengthening and maintaining Telia's network leadership. Secure and reliable infrastructure is at the core of Telia's ability to offer connectivity.
- *Transforming to digital*
  To better serve its customers, Telia needs to transition into a more agile, digital and lean company by completing one of the most ambitious transformation agendas in its industry.
- *Delivering sustainably*
  By delivering sustainably through an accountable and empowered organization, Telia is focused on creating long-lasting and sustainable value for all of its stakeholders by being a financially, socially and environmentally strong and resilient company.

For more information, see **Our Strategy**.

Operational, financial and sustainability targets

The Board sets the near-term direction for operational, financial and sustainability matters. Targets are set for the group as a whole and for each country and business unit. For more information on Telia's sustainability work, targets and governance, see the **Sustainability** section and the **Director's Report.**

Setting boundaries

The Board and Group Executive Management set the boundaries for how employees act. These

Group policy	Description
Anti-Bribery and Corruption	To set the standards for ethical business practices throughout the operations.
Enterprise risk management	To describe the ERM framework.
Environment	To ensure that we proactively manage environmental impacts throughout the full lifecycle of delivering our products and services.
Financial management	To set the rules for managing financial risks and for counterparty credit ratings.
Freedom of expression and surveillance privacy	To define our commitments in relation to requests or demands with potentially serious impacts on freedom of expression and surveillance privacy.
Human rights	To respect human rights, to avoid causing or contributing to adverse human rights impacts in our operations and address impacts when they occur.
Inside information and Insider trading	To ensure a high standard of ethical behavior towards the capital markets by defining trading and reporting rules.
Media Owner Commitments	To define Telia's commitments in relation to a free flow of information, freedom of expression, freedom and independence of mass media and an open and democratic society. As media owner, we confirm that all mass media content shall be protected by traditional editorial integrity principles, established journalistic practices and the sovereignty of the responsible publisher pursuant to constitutional law regarding freedom of expression.
People	To provide our employees with an overview of our company values and expectations in relation to people, health, safety and well-being. It also gives employees at all levels the prerequisites to act in line with these values and expectations.
Privacy and data protection	To respect and safeguard privacy and data protection by setting high and consistent standards.
Quality	To define our commitment to consistently provide products and services of high quality that meet customer needs.
Remuneration	To set the strategic direction and clarify the approach on designing and implementing remuneration practices for employees at all levels.
Security	To describe the governance as well as control, facilitation and implementation of security measures.

boundaries are rooted in Telia's core values, corresponding steering documents, risk appetite, the Delegation of Obligations and Authority, and the Code of Conduct.

Core values
Telia's values – "Dare, Care and Simplify" – are at the very core of how its employees behave and provide a compass for how they act in their daily work.

We dare to make an impact and call things out, even when it is difficult
We care for everyone and look out for each other, both people and planet
We simplify the way we do things and focus on what matters most

Establishing risk boundaries
The Board approves the level and type of risk that Telia should take in pursuit of its strategic objectives. The company's risk appetite is defined by clear boundaries or thresholds, ensuring that its actions and decisions are in alignment with its corporate values, strategic goals and stakeholder expectations.

Company governance

- *Governing bodies* such as the Board of Directors and various committees make key decisions and oversee company operations (as described in the **Corporate Governance statement**, approved by the Board, and prepared according to the Swedish Corporate Governance Code). These bodies are responsible for setting company direction, making policies and ensuring accountability. They act as a system of checks and balances, ensuring that the company's interests align with those of its stakeholders, including shareholders, employees and the public.
- *Delegation of Obligations and Authority*
  The Delegation of Obligations and Authority (DOA) is the governing document in the group that sets out the governance principles and decision-making process at Telia. The DOA is issued by the Telia Group CEO and defines how the Group CEO delegates obligations and authority and sets expectations for Group Executive Management.

Policy Framework
To govern the company, the Board has approved a Policy Framework that consists of steering documents, group policies and group instructions. These documents form the backbone of Telia's approach to governance, risk management and compliance. The heads of group functions and executive owners of Telia's Principal Risks ensure that necessary group policies and group instructions are issued within their designated areas of responsibility. Each group executive is accountable for annually reviewing their area's governance requirements, which includes proposing new or updating existing group policies and instructions. All group policies and group instructions are mandatory for all entities in which Telia has management responsibility. Country CEOs are responsible for the implementation and compliance with governing documents within their geographic location. The Board reviews and approves group policies at least once a year, based on the endorsement and recommendations from the Group Governance, Risk, Ethics and Compliance (GREC) Committee or Group Executive

Management. The Board has entrusted the CEO to issue instructions for more detailed governance in areas of overall importance for operations. The CEO or the head of the relevant group function approves group instructions after they have been reviewed and approved at a Group GREC or Group Executive Management meeting. All group policies and group instructions are archived and published on a central platform accessible to all employees and certain categories of contingent workers. Group policies are listed on the previous page.

Group policies are publicly available at: **www.teliacompany.com/en/about-the-company/public-policy** *(Information on the Telia Company website does not form part of this Statement)*

Code of Conduct
The Code of Conduct, issued by the Board, serves as Telia's ethical compass, setting clear standards and expectations on how to act and helps in recognizing that doing business with integrity is a shared responsibility. The Code reflects group policies and group instructions, encompassing 18 subject areas. Each area covers a description of The Telia way, a summary of what to keep in mind, resources and how to get help and advice. The code is designed to guide all employees, managers, and board members – as well as all staff working in Telia's operations such as contractors, consultants, and freelancers. It also influences Telia's third-party relationships and contractual agreements. The Code of Conduct is reviewed on an annual basis by Group Governance, Risk and Compliance in collaboration with appropriate subject matter experts.

Delivering on promises
Telia always strives to deliver what it says it will, at the right time and in the right way to build trust, ensure reliability and satisfy key stakeholders and customers.

Business processes
Processes are at the heart of how Telia creates and delivers value to its customers. The company's Business Process Management (BPM) Framework provides the foundation for its processes. The BPM consists of five main areas: culture and mindset, architecture, governance, performance, methods, and technologies. It allows Telia to systematically oversee and refine both automated and manual business activities, from their inception through to execution, ensuring outcomes that are consistent with the company's strategic objectives. The business processes set the foundation for a company that is effective overall and that meets business and customer expectations with agility.

Organization and resources
The group's operations are organized into the following operating segments: Sweden, Finland, Norway, Lithuania, Estonia and TV and Media. Group functions include Finance (including Sourcing and Real Estate), Common Products & Services (including Telia Finance), Group Strategy & Commercial (including Division X and Global Business), Corporate Affairs, People & Culture, and Communication, Brand & Sustainability. Group functions are responsible for driving developments within their respective areas to ensure efficiency and cross-border synergies. All countries and group functions work in close cooperation with each other, providing advice and guidance to maintain high technical and commercial skills, ensure good management and regulatory compliance, use of economies of scale, and a business that is sustainable in the long term. Resources – in terms of financial and human capital, network assets, social and relationship capital as well as natural resources – are allocated to ensure successful execution. Business Area TV and Media operations are characterized as mass media operations and protected by the constitutional law on Freedom of Expression. In accordance with the Freedom of Expression law and the Group Policy on Media Owner Commitments, all editorial decisions are solely taken by personnel within the editorial operations and at the absolute discretion of the Editor-in-Chief. Editorial operations are separate from other parts of the company and Telia respects the editorial integrity of the mass media, including the confidentiality of sources and source material and the integrity and confidentiality of editorial work, decisions and necessary professional integrity. The group policy guarantees that independent publishing is upheld vis-à-vis, for example, the owners, governments, public authorities, political parties, the Board and management of Telia, external financial power spheres and other organized social interests.

Strategy to Execution
Strategy to Execution aims at ensuring effective strategy execution, strong accountability and enabling better decision-making. The Strategy to Execution Framework and process is deployed to redefine and allocate, measure and track the development of business objectives to realization/benefit.

Following up performance
Following up and monitoring Telia's performance is crucial to identify potential for improvement and for future planning. Performance follow-up is conducted at both the organizational and individual levels.

Business reviews
The CEO sets goals for the operations based on the direction of the Board. To ensure performance, managers have annual targets for their respective operations. The plan for each unit is followed up in monthly business review meetings that include financial and operational reviews for the reporting period. The review meeting also includes a review of scorecards, including operational, commercial, financial and people performance metrics, as well as the tracking of business initiatives. The business reviews allow for frequent follow-up of operational key performance indicators (KPIs) on the country and business unit level. The operational KPIs are a key part of the follow-up and consist of several measurements that give management a good overview of the current state and progress over time. The Net Promoter Score (NPS®) framework is used to monitor and improve the customer experience that Telia provides. Business review meetings are attended by the CEO, CFO, COO, Head of Business Finance, Head of Investor Relations and selected members of Group Executive Management, in addition to the respective country management. The Board receives reports on operational performance monthly and, at each ordinary board meeting, the group's operational and financial performance are presented in detail by the CEO and the CFO, respectively. See the **Board of Directors** section for more information.

Risk and compliance reviews
The GREC Committee is the primary governing body for risk and compliance follow-up. For further information, see the Governance, Risk and Compliance section.

Individual performance management
YouFirst is the group-wide approach to employee performance and development. It guarantees that expectations and priorities are connected to the strategy, that challenging goals are set and that personal accountability for results is maintained. YouFirst is integrated into daily work through regular conversations, coaching and feedback between leaders and employees. Individual performance management is also described in the Directors' Report section on **People.**

Governance, Risk and Compliance (GRC)

A group Governance, Risk and Compliance (GRC) function has been established to ensure that Telia takes an integrated and strategic approach towards aligning governance and policies with company objectives, while effectively managing risks and promoting ethical and responsible decision-making through compliance with all relevant policies, laws and regulations.

The Head of the GRC function is also the Chief Risk Officer (CRO), reports to the Chief Financial Officer and acts as the owner of the group common GRC process.

Function responsibilities include to:
- Oversee the **Group-wide Governance Framework** and own the Group Policy Framework and the Group Framework for ERM, policies and instructions within his/her areas of responsibility and to monitor compliance and support group-wide implementation
- Oversee the operational effectiveness of the ERM processes across the group and propose actions for improvement
- Monitor the risk level as well as the nature of specific risk matters across the group. As part of that responsibility, the Head of the GRC collects and aggregates the respective reports from countries and group functions to provide the CEO and the Board with a consolidated and holistic overview of the group's risk level and individual, material risks
- Facilitate and organize the Governance, Risk, Ethics and Compliance (GREC) Committee on group level
- Promote a culture that encourages ethical conduct and commitment to compliance as well as to assist, advise and provide objective and reasonable assurance that the company manages compliance risks in an appropriate way

Risks and uncertainties
Offering a broad range of products and services in multiple markets in the highly competitive and regulated telecommunications industry, Telia is subject to a wide variety of risks and uncertainties. The company has defined risk as anything that could have a material adverse effect on the achievement of its strategic and operational goals. Risks can be threats, uncertainties or lost opportunities relating to current or future operations or activities.

Risks and uncertainties related to the business, sustainability and shareholder issues are described in the Directors' Report section on **Risks** and financial risks in **Note C27** to the consolidated financial statements.

Risk management – Principal Risks and the three lines model
Telia recognizes that successful risk management is fundamental to achieving business and growth opportunities by striving for the highest possible returns within acceptable risk and cost levels. Risk management is initiated on an enterprise level, with collaboration between the Strategy and ERM functions to identify key risks, threats and consequences to specific value drivers and strategic objectives. The identified risks are analyzed and prioritized together with the executive management team, which agrees on a portfolio of Principal Risks. An executive risk owner is assigned to each Principal Risk and is accountable for defining the Principal Risk appetite, which is typically aligned with a group policy. The Principal Risks constitute the foundation of Telia's Enterprise Risk Management Framework.

The management of risk within each Principal Risk area is an integral part of Telia's strategic and operational activities, business planning process and monitoring of business performance. Risks are continuously identified and assessed, and measures are implemented to mitigate and monitor these risks.

Risk management roles and responsibilities are aligned via the three lines model:
- **First line:** The heads of countries and group functions are accountable for risk management in their respective units, and they assign Risk Management Coordinators who ensure the implementation of the Enterprise Risk Management Framework throughout the line organization. The line organization is responsible and accountable for assessing, responding and controlling, through internal control activities, as well as reporting risks to local risk committees.
- **Second line:** Comprises the group-level GRC function, incorporating the ERM function and Group Compliance function, the Principal Risk area and assurance functions, the internal controls function within Group Finance, and GREC meetings. Principal Risk area coordinators are appointed by the Chief Risk Officer and are responsible for maintaining a holistic view of the risk area by ensuring that the risk appetite is cascaded throughout the organization, monitoring and evaluating the risk and control capabilities, overseeing the operational effectiveness of the area's risk processes across

the group and reporting risk posture to GREC
- **Third line:** The Group Internal Audit function provides independent and objective assurance and advisory services of governance, risk, and internal control

In addition, external parties, such as the external auditors and regulatory bodies, provide assurance related to specific statutory requirements, such as information presented in the consolidated financial statements or reported to the Swedish Financial Supervisory Authority.

The aim of the continuous risk management process is to ensure all risks that may help or hinder the achievement of Telia's objectives are regularly assessed, managed and monitored. The risk management process promotes transparency, feasibility and traceability, and Telia strives to fully integrate risk management into all business processes. Management ensures that a personal sense of responsibility and a common view on, and awareness of, risk is established among employees, as well as facilitating the accountability for risks in daily decision-making. Risk reporting is integrated into the business planning process and risks are reviewed at business reviews and escalated through the line organization.

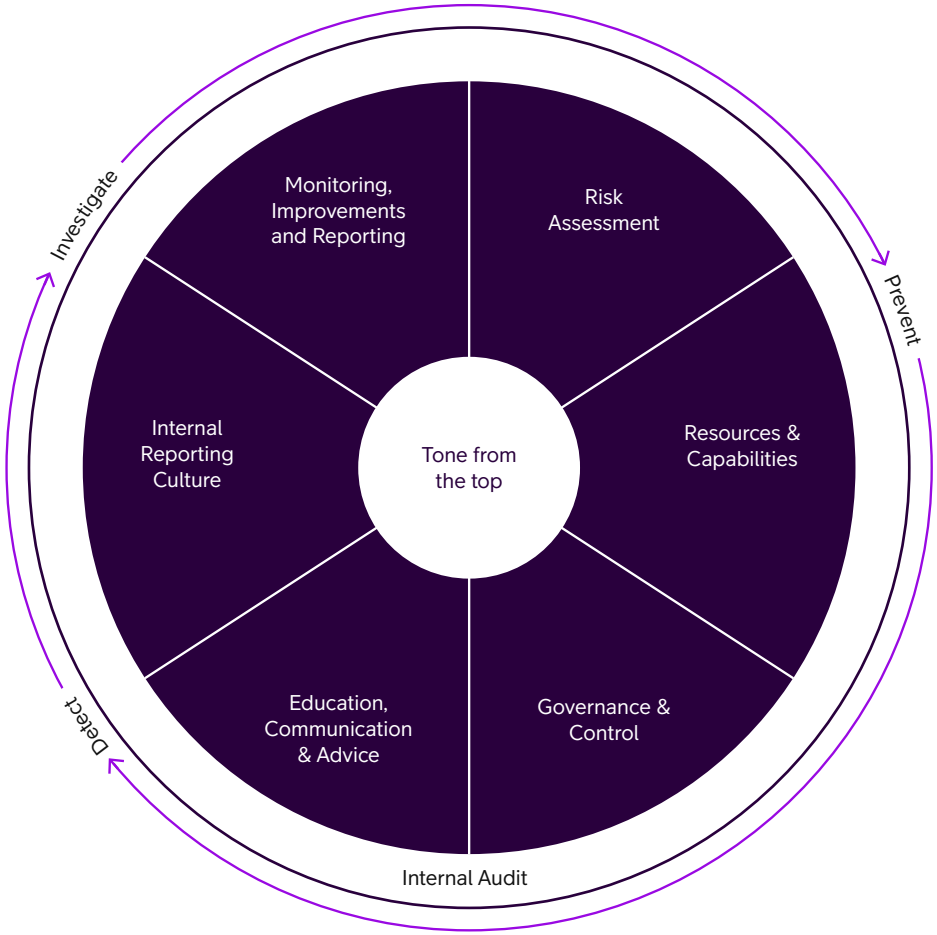
Management proactively conducts risk and compliance evaluations and assessments, on a regular basis and in a timely manner, to ensure that all employees are aware of and take steps to comply with the relevant requirements. Compliance indicates conformance to external as well as internal requirements, such as applicable legislation and regulations, international standards and norms, and group policies and instructions.

Risk and compliance reporting
The Telia Risk and Compliance Report is delivered bi-annually to the Audit Committee and the Board, in alignment with the Board's annual work cycle. The overall status of each Principal Risk is based on detailed risk reports, interviews and workshops with Principal Risk owners and subject matter experts. Risks are presented as group-wide, country or group perspectives.

In addition, the Audit Committee receives a quarterly, consolidated litigation report with short-form details of ongoing, pending and threatened major legal and administrative proceedings. Each case description also includes nominal and estimated financial impact where possible, and a probability grading. The Board receives a summary of major litigations.

Aligned assurance
Telia has adopted an aligned assurance way of working, whereby the ERM, Ethics & Compliance and Group Internal Audit communities align on the planning, execution and reporting of assurance activities. The fundamental objectives of aligned assurance are to ensure that risks are managed within the company's risk appetite, as well as to provide holistic visibility and assurance to the Board, management, regulators and customers.

Information gathered through the assurance activities is aligned and provided to GREC and the Audit Committee. The aligned approach from assurance functions supports management's decision-making with comprehensive overviews of the company's overall risks, current levels of control and the effectiveness of mitigation activities.



Assurance Framework
A risk and compliance Assurance Framework has been developed to support an aligned and systematic approach to assurance. The Assurance Framework consists of six elements that are founded on a sound and clear tone from the top. It is designed to adhere to international standards and is based on the principles of prevent, detect and investigate. The framework is used to establish assurance of the appropriate management of key risks in our risk universe.

GREC Committee
The purpose of the Group GREC Committee is to act as the primary governing body for risk management and compliance throughout Telia.

GREC committees are also established on a country level and in selected group functions (such as Common Products and Services) and subsidiaries.

On all levels, GREC meetings are held at least quarterly and provide a forum for management updates, discussion, decisions and follow-up on risk and control mitigation activities and initiatives within the different risk areas and sustainability focus areas.

At the Group level, the GREC meeting is chaired by the CEO and attended by the CFO, the Group General Counsel and Head of Corporate Affairs, the COO, the CPO, the Chief Strategy & Commercial Officer, the Head of Communications, Brand and Sustainability, the Country Heads, the Head of TV & Media, the CRO and the Head of Group Internal Audit. The purpose, agenda and participants in local GREC meetings mirror those of the group-level meetings.

Whistleblowing and Speak-Up Line
2023 was the 9th year of operation for Telia's Speak-Up Line, the whistleblowing tool available in 11 languages. It enables employees and others to anonymously and confidentially report violations of proper accounting, reporting or internal controls, as well as non-compliance with local laws or breaches of Telia's Code of Responsible Business Conduct, group policies and group instructions. Telia has a group-wide standard for performing internal investigations. The guiding principle is to ensure that investigations are conducted objectively and impartially; are carried out in a way to swiftly establish the facts with minimum disruption to the business or the personal lives of employees; and to make sure that confidentiality and non-retaliation are respected at all times. Consolidated case reports have been presented to the Audit Committee throughout the year. The reports included allegations of certain significance, the progress of investigations and the final results of the investigations.

For more information about whistleblowing reports, internal investigations and disciplinary decisions during 2023, see **Note S16** in the **Sustainability** notes.

To the reader of this Statement: If you believe there are deficiencies in Telia's financial reporting or if you suspect any misconduct within the group, you may report your concerns at: **www.speakupline.ethicspoint.com**

Internal control over financial reporting

In accordance with the Swedish Companies Act and the Swedish Corporate Governance Code, the Board is responsible for internal controls over financial reporting. The Board continuously reviews the performance of internal controls and initiates activities to foster continuous improvement of internal controls. Telia's Enterprise Risk Management Framework includes internal controls over financial reporting and is in line with the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control-Integrated Framework. It consists of the following inter-related areas: control environment, risk assessment, control activities, information and communication, and monitoring.

To establish a consistent approach to, and a common group view of, risks related to incorrect financial reporting, group-wide risk catalogs have been implemented in all major entities in which Telia has management responsibility. The internal control function within Group Finance is responsible for developing and maintaining the IT tool used to manage risk catalogs.

Internal control is an integral part of Telia's corporate governance and ERM, which involves the Board, Group Executive Management and employees on all organizational levels. It is a process that includes methods and processes to:
- Safeguard the group's assets
- Ensure the reliability and correctness of financial reporting
- Secure compliance with applicable legislation and guidelines
- Ensure that objectives are met, and that operational efficiency is continuously improved

The objective of Telia's financial reporting is to align with high professional standards and to be full, fair, accurate, punctual and understandable.

Control environment
The most essential elements of Telia's control environment are the group policies, related group instructions and detailed group directives. Management at all levels is responsible for ensuring that the organization complies with the Delegation of Obligations and Authority issued by the CEO, the financial governing documents, the reporting framework, and other group requirements.

Group Finance is responsible for monthly monitoring and, if significant, communication of changes in legislation, listing requirements and financial reporting standards affecting financial group policies, instructions, or directives.

Management in each entity or group function is responsible for ensuring that:
- Monthly and quarterly financial statements comply with Telia's accounting policies
- Financial reports are delivered on time
- Activities to mitigate the risks, as specified in the group risk catalogs, have been implemented and are performed
- Material business and financial risks are identified and reported

Telia's financial shared services unit supports harmonized and standardized financial accounting processes and controls across large, wholly owned business units.

Risk assessment
Telia takes a risk-based approach towards internal controls over financial reporting. Risk management related to financial reporting is incorporated in the group-common Enterprise Risk Management Framework as described in the ERM Framework.

As such, assessment and management of risks that may result in inaccurate financial reporting is a natural part of the daily work, where the group risk catalogs are used as a baseline. Risk assessments are performed from both a top-down and a bottom-up perspective. The results of the risk assessments are documented in the group risk catalogs.

Control activities
All business processes across Telia include controls regarding the initiation, approval, recording and accounting of financial transactions. Major processes, including related risks and key controls, are described and documented in a common and structured way, based on the requirements set in the group risk catalogs. Controls are either automated or manual and designed to ensure that necessary actions are taken to either prevent or detect material misstatements and to safeguard the assets of the company. Controls for the recognition, measurement and disclosure of financial information are included in the financial closing and reporting process, including controls for IT applications used for accounting and reporting.

Information and communication
Group policies, instructions and directives, the reporting framework guidelines and other requirements regarding accounting and reporting as well as performing internal controls are made accessible to all employees concerned, using Telia's regular internal communication channels. Employees at group level continuously engage in internal training activities to ensure harmonization within important areas such as revenue recognition and the distinction between capital and operating expenditure.

Telia promotes an open, honest and transparent flow of information, especially regarding the performance of internal controls. Control performers are encouraged to disclose any issues concerning their controls in the reporting, so that a problem can be taken care of before it leads to misstatements.

Monitoring
Telia has implemented a structured process for performance monitoring of internal controls over financial reporting. This process includes countries and group functions and consists of self-assessments of the risk-mitigating activities. The internal controls function within Group Finance monitors the process on a monthly basis.

On behalf of Group Executive Management, the internal control function carries out an annual risk-based compliance review of key risks to evaluate the quality of self-assessments, risk mitigation and the overall internal control environment.

The results of the self-assessments and the compliance review are communicated to the management of all relevant entities and to the Audit Committee. The committee also receives reports directly from both external and internal auditors. The reports are discussed, and follow-up observations are made by the committee. Both the external and internal auditors are present at the committee meetings.

At least once a year, the entire Board meets with the external auditors, in part without the presence of management.

Group internal audit

The Group Internal Audit function provides independent and objective assurance and advisory services designed to add value and improve Telia Company's operations. Internal Audit assists Telia Company in accomplishing its objectives by taking a systematic, disciplined and agile approach to evaluating and improving the effectiveness of the organization's governance, risk management and internal control.

The direction of the work of the internal audit function is stated in the audit plan. In order to reflect the overall business objectives and risks, the audit plan is aligned with the group strategy and business plans. The audit plan determines priorities and resource allocation. It is approved by the Audit Committee and presented to the external auditors on a regular basis. The audit assignments are discussed with the external auditors periodically, in order to share risk assessments and audit findings.

In 2023, audits were performed in group functions, as well as in the countries. The important audit areas were:
- Transformation
- IT
- Information security
- Finance
- Service assurance
- Risk management and compliance

The Head of Group Internal Audit reports functionally to the Audit Committee and administratively to the Telia Company Chief Financial Officer. The results from each specific audit assignment are reported to the line manager responsible for the audited area or unit, the CEO, the CFO, relevant GEM members and the external auditors. A summary of audit findings is reported to the Audit Committee periodically.

Auditors

Number of auditors and duties
According to its Articles of Association, Telia Company AB shall have no less than two and no more than three auditors and no more than the same number of deputy auditors. The AGM can also appoint only one auditor if the auditor in question is a public accounting firm. The auditors report to the shareholders at General Meetings.

The task of the external auditor is to examine Telia Company's annual accounts and consolidated accounts, as well as to review the administration of the company by the Board and the CEO. The duties of the auditors include, among others:
- Presenting the audit plan, scope and content of the annual audit to the Audit Committee
- Reviewing the interim report for the third quarter
- Auditing the financial statements in accordance with international standards on auditing and generally accepted auditing standards in Sweden
- Conducting a statutory examination of the Corporate Governance Statement
- Conducting an examination of the statutory Sustainability Report. The auditors also perform an annual limited assurance of the Telia Company Sustainability Report.

The auditors present the results of their audit and provide an opinion on whether the guidelines for remuneration to senior executives have been complied with at the AGM. Furthermore, the auditors report to the Audit Committee, including the CEO and the CFO, on a quarterly basis.

For further information on interactions between the Board and the auditors, see the sections on the Board of Directors and Internal controls over financial reporting, respectively.

Current auditors and fees
At AGM 2023, Deloitte AB was elected as auditor until the end of AGM 2024. Deloitte AB has appointed Peter Ekberg (born 1971), authorized public accountant, to serve as auditor in charge. Deloitte AB is often engaged by Telia Company's largest shareholder, the Swedish state, for both audit and advisory services. Peter Ekberg does not hold any shares in Telia Company.

For information on fees paid for audit-related and other services, see **Note C33** to the consolidated financial statements.

Board of Directors

Chair of the Board
Lars-Johan Jarnheimer

First elected at the EGM on November 26, 2019

Born: 1960
Nationality: Swedish
Board Chair: Ingka Holding BV (IKEA), Arvid Nordquist HAB and Elite Hotels of Sweden AB
Board Member: SAS AB, Point Properties AB and Grimaldi Industries AB
Work experience and other assignments: Previously Chair of the Board of Directors of Egmont International Holdings AS, Qliro Group, BRIS and Eniro AB. Board Member of Millicom International Cellular SA, Modern Times Group MTG AB, Invik and Apoteket AB. CEO of Tele2 AB (1999-2008), Deputy CEO and CEO of Comviq and various positions within H&M Hennes & Mauritz AB
Education: Bachelor of Science in Business Administration and Economics from Lund and Växjö universities

Shares in Telia Company: 120,097

Vice-Chair of the Board
Ingrid Bonde

First elected at the AGM in 2020

Born: 1959
Nationality: Swedish
Board Chair: Apoteket AB and Wall to Wall Group AB
Board Member: Husqvarna AB, Securitas AB and Ersta diakoni omsorg AB
Work experience and other assignments: Previously CFO and Deputy CEO of Vattenfall AB, CEO of AMF Tjänstepension AB, Director General of Finansinspektionen (Sweden's financial supervisory authority), Deputy Director General of the Swedish National Debt Office and VP Finance of SAS AB
Education: Master of Business Administration

Shares in Telia Company: 10,000

Board Member
Johannes Ametsreiter

First elected at the AGM in 2022

Born: 1967
Nationality: Austrian
Board member: 1GLOBAL
Work experience and other assignments: Previously a Member of the Group Executive Committee of Vodafone PLC and CEO of Vodafone Germany, group CEO for Telekom Austria, executive positions at mobilkom Austria and Chairman of PayBox A1 Bank
Education: Doctor of Philosophy and Master of Arts from the University of Salzburg, executive education courses at Harvard Business School, Stanford University and INSEAD

Shares in Telia Company: 17,000

Board Member
Stefan Carlsson

Appointed as an employee representative in 2009

Born: 1956
Nationality: Swedish
Board Member: Deputy Chair of Unionen Klubben på Telia Company
Work experience and other assignments: Second Deputy Chair of SIF and Unionen until 2009, Board Member of the Unionen National Executive Committee until October 2023

Shares in Telia Company: 1,000

Board Member
Luisa Delgado

First elected at the AGM in 2021

Born: 1966
Nationality: Swiss and Portuguese
Board Chair: Swarovski International Holding AG (Board of Directors) and Schleich GmbH (Advisory Board)
Board Member: DIA Group, Fortum Oyj, Ingka Holding BV (IKEA), Barclays Bank (Suisse) SA and Breitling SA
Work experience and other assignments: Previously CEO of Safilo Group, Executive Board Member and Chief HR Officer at SAP, CEO of Procter & Gamble for the Nordic region and VP for Human Resources Western Europe
Education: Bachelor of Laws from the University of Geneva, Master of Laws from King's College/University of London, Postgraduate Diploma of European Studies from Universidade Lusiada, FT Non-Executive Director Diploma

Shares in Telia Company: 3,600

All shareholdings reported as per February 29, 2024. Shareholdings refer to any holdings of shares in Telia Company owned by the person or related natural or legal persons.

Board Member
Sarah Eccleston

First elected at the AGM in 2023

Born: 1970
Nationality: British
Board Member: Data Communications Company (DCC)
Work experience and other assignments: Previously Global CTO and Global Vice President of Sales for Cisco (2019-2022), several leadership positions within global technology companies such as Nortel Networks and Verizon
Education: Studies in Electronics and Telecommunications at the University of Coventry

Shares in Telia Company: 10,000

Board Member
Tomas Eliasson

First elected at the AGM in 2022

Born: 1962
Nationality: Swedish
Board Member: Millicom International Cellular SA, Boliden AB and Elekta AB
Work experience and other assignments: Previously CFO of Sandvik AB, AB Electrolux, ASSA ABLOY AB and Seco Tools AB
Education: Degree in Business Administration and Economics from Uppsala University

Shares in Telia Company: 25,000

Board Member
Rickard Gustafson

First elected at the AGM in 2019

Born: 1964
Nationality: Swedish
Board Member: SKF AB and Confederation of Swedish Enterprise
Work experience and other assignments: President and CEO of SKF AB since 2021. Previously President of SAS AB (2011-2021), President of Codan/Trygg-Hansa (2006-2011) and various executive positions in GE Capital in Europe and the US (1996-2006)
Education: Master of Science

Shares in Telia Company: 14,075

Board Member
Jeanette Jäger

First elected at the AGM in 2020

Born: 1969
Nationality: Swedish
Work experience and other assignments: CEO of Enento Group Plc 2022. Previously CEO of Bankgirot, several executive roles at Tieto and Product and Marketing Director of TDC
Education: Bachelor of Science in Business Administration and Economics with a major in Business Administration

Shares in Telia Company: 11,385

Board Member
Jimmy Maymann

First elected at the AGM in 2018

Born: 1971
Nationality: Danish
Board Chair: TV2 Denmark and Museum for the United Nations - UN Live Online
Board Member: Maternity Foundation and SuperBet
Work experience and other assignments: Currently an investor specializing in digital advertising, digital technology and new media strategy. Previously Executive Vice President and President at AOL Content & Consumer Brands and CEO of the Huffington Post
Education: Executive Master of Business Administration and Master of Science

Shares in Telia Company: 0

Board Member
Martin Sääf

Appointed as an employee representative in 2022

Born: 1957
Nationality: Swedish
Board Chair: Akademikerna i Telia

Shares in Telia Company: 1,000

Board Member
Rickard Wäst

Appointed as an employee representative in 2021

Born: 1964
Nationality: Swedish
Board Secretary: Teliaklubben Seko

Shares in Telia Company: 0

Remuneration and attendance during 2023

			Meeting attendance			
Name	**Elected year**	**Position**	**Board**	**Remuneration Committee**	**Audit Committee**	**Total remuneration (SEK thousand)[1]**
Lars-Johan Jarnheimer	2019	Chair of the Board and Chair of the Remuneration Committee	13/13	5/5		2,075
Ingrid Bonde	2020	Vice-Chair of the Board and Member of the Audit Committee	12/13		7/7	1,110
Johannes Ametsreiter	2022	Member of the Audit Committee	13/13		4/7	796
Luisa Delgado	2021	Member of the Remuneration Committee	13/13	4/5		745
Tomas Eliasson	2022	Chair of the Audit Committee	13/13		7/7	936
Rickard Gustafson	2019	Member of the Remuneration Committee	12/13	5/5		745
Jeanette Jäger	2020		11/13			670
Nina Linander[2]	2013		3/13		3/7	253
Jimmy Maymann	2018		11/13			670
Sara Eccleston	2023		10/13			495
Stefan Carlsson	2009	Employee representative	11/13			
Martin Sääf	2022	Employee representative	13/13			
Rickard Wäst	2021	Employee representative	12/13			
						8,494

1) See also Note C32 to the Consolidated financial statements.
2) Left in April 2023.

Group Executive Management

President and
Chief Executive Officer*

Patrik Hofbauer

Born: 1968
Nationality: Swedish
Work experience and other assignments: Telia Company's President and CEO since Feb. 1, 2024, President and CEO of Svenska Spel AB (2018-2024), CEO of Telenor Sverige AB (2014-2018), CEO of Telenor Broadcasting Holding (2011-2014), CEO of Clear Channel Sverige AB (2009-2010), CEO of Canal Digital Sverige AB (2005-2009), CEO of NEC Scandinavia AB (1999-2004) and Sales Director at Scandic Hotels Sverige AB (1995-1998)
Board Chair: Presto Holding AB
Board Member: Clas Ohlson AB
Education: DIHM Diploma in Marketing Management from IHM Business School, IHM Master of Personal Leadership from IHM Business School, further education at INSEAD and London Business School

Shares in Telia Company: 77,000

Executive Vice President,
Group General Counsel
and Head of Corporate Affairs

Stefan Backman

Born: 1975
Nationality: Swedish
Work experience and other assignments: Telia Company's General Counsel and Head of Corporate Affairs since 2022, General Counsel of Tele2 AB (2016-2022), various legal positions at Tele2 AB (2007-2016), legal officer at The Swedish Post and Telecom Authority (2003-2007)
Education: Master of Laws from the University of Uppsala

Shares in Telia Company: 65,000

Senior Vice President,
Head of TV & Media

Mathias Berg

Born: 1975
Nationality: Swedish
Work experience and other assignments: CEO of TV4 and Telia Company's Head of TV and Media since December 2022, previously Deputy CEO and Head of Advertising Nordic TV4 Media, more than 20 years of experience from the telecom and media industry, including at TDC, MTG and several different positions at TV4 Group
Education: Degree in Business Economics from Stockholm School of Economics

Shares in Telia Company: 25,000

Senior Vice President,
Group Chief Operating Officer

Dr Rainer Deutschmann

Born: 1970
Nationality: German
Work experience and other assignments: Telia Company's Group COO since 2020, group COO at Dialog Axiata PLC (2017-2020), Chief Product & Innovation Officer at Reliance Jio (2014-2017), various senior executive leadership positions at Deutsche Telekom AG, T-Mobile International AG and McKinsey & Company (2001-2014), Independent Non-Executive Director at Rain South Africa Ltd. (2018-2020), Chairman of the Board of Directors at Deutsche Telekom UK Ltd. (2012-2014)
Education: Dr. rer. nat. summa cum laude in Physics at University of Technology Munich, degree in Physics at California Institute of Technology, Finance for Senior Executives at Harvard Business School

Shares in Telia Company: 90,000

All shareholdings reported as per February 29, 2024. Shareholdings refer to any holdings of shares in Telia Company owned by the person or related natural or legal persons.

*President and Chief Executive Officer Allison Kirkby left Telia end of January 2024 and was replaced by Patrik Hofbauer on February 1, 2024.

Executive Vice President,
Group Chief Financial Officer*

Eric Hageman

Born: 1970
Nationality: Dutch
Work experience and other assignments: Telia Company's Group CFO since September 2023, senior executive positions at Royal KPN NV, including Group CFO and CEO of KPN Belgium (Base), Group CFO roles at TelecityGroup PLC, IWG PLC and William Hill, corporate finance advisory positions at Deutsche Bank and ABN AMRO focused on telecoms, media and technology
Board Member: Mace Group Ltd.
Education: Master of Business Administration from London Business School, Master of Science in Business Economics from Maastricht University and further education at Harvard Business School

Shares in Telia Company: 50,000

Senior Vice President,
Chief Strategy & Commercial Officer**

Markus Messerer

Born: 1981
Nationality: Austrian
Work experience and other assignments: Telia Company's Chief Strategy & Commercial Officer since 2020, CEO of Alltron AG (2018-2020), Head of Corporate Strategy at Swisscom AG (2013-2018), Head of Strategy at Telekom Austria AG (2009-2013)
Board Member: cyan AG and Ovzon AB
Education: Doctor of Philosophy in International Management, Executive Master of Business Administration, CFA charterholder, alumnus of Harvard Business School

Shares in Telia Company: 30,000

Executive Vice President,
Head of Telia Sweden

Anders Olsson

Born: 1969
Nationality: Swedish
Work experience and other assignments: Head of Telia Sweden since 2018, COO and Head of Global Services & Operations at Telia Company (2016-2018), CCO (2009-2015) and Market Area Director Central Europe and Benelux at Tele2 (2004-2009)
Board Member: TechSverige and Confederation of Swedish Enterprise
Education: Master of Science in Business Administration and Economics from the University of Uppsala

Shares in Telia Company: 230,000

Senior Vice President,
Head of Telia Finland

Heli Partanen

Born: 1972
Nationality: Finnish
Work experience and other assignments: Head of Telia Finland since 2020, Acting Vice CEO and Head of daily operations of Telia Finland (2019-2020), Head of Consumer Business in Finland (2016-2019)
Board Chair: FiCom ry and Palta ry
Board Member: Confederation of Finnish Industries
Education: Exam from Helsinki Business College

Shares in Telia Company: 26,914

*Group Chief Financial Officer Per Christian Mørland left Telia in September 2023 and was replaced by Eric Hageman.
**Telia Company announced on March 12, 2024, that Markus Messerer will leave Telia to pursue opportunities outside the company. Petr Cermak was appointed as Acting Chief Strategy & Commercial Officer from March 18, 2024. Petr reports to President and CEO Patrik Hofbauer but is not a member of the Group Executive Management team.

Senior Vice President,
Head of Communications,
Brand and Sustainability

Ola Rembe

Born: 1969
Nationality: Swedish
Work experience and other assignments: Telia Company's Head of Communications, Brand and Sustainability since March 2023, Partner at Kekst CNC (2020-2023), various senior positions within the Ericsson Group (2001-2019), including as Vice President of Brand and Communications
Education: Economics and Political Science studies at the University of Lund

Shares in Telia Company: 54,123

Senior Vice President,
Chief People Officer

Maria Romberg Ewerth

Born: 1978
Nationality: Swedish
Work experience and other assignments: Telia Company's Chief People Officer since 2022, Chief HR Officer at ASSA ABLOY AB (2019-2022), several HR positions at ASSA ABLOY Entrance Systems AB (2008-2019), JELD-WEN Sverige AB, VALEO Engine Cooling AB and Swedish Meats
Education: Bachelor's degree in Human Resources and Master of Business Administration

Shares in Telia Company: 28,099

Senior Vice President,
Head of Telia Norway

Stein-Erik Vellan

Born: 1965
Nationality: Norwegian
Work experience and other assignments: Head of Telia Norway since 2019, Head of Telia Finland (2017-2019), various positions within the Telenor Group (2001-2017), including as CEO of Telenor's operations in India, Serbia and Bulgaria
Board Member: Abelia
Education: Marketing candidate

Shares in Telia Company: 9,200

Remuneration and other benefits during 2023 along with capital value of pension commitments

SEK thousand	Base salary	Other remuneration	Other benefits	Pension expense	Total remuneration and benefits	Capital value of pension commitment
Allison Kirkby, CEO*	18,360	8,212	342	535	27,449	
Other members of Group Executive Management (13 members over the year)	66,873	13,811	3,298	6,605	90,588	22,486

See also Note C32 to the Consolidated financial statements.
*President and Chief Executive Officer Allison Kirkby left Telia end of January 2024 and was replaced by Patrik Hofbauer on February 1, 2024.

Sustainability

Sustainability

Reinventing better connected societies

Telia Company's sustainability agenda and ambitions are thoroughly integrated into the company's business strategy, as described in the beginning of this report (see **Our Strategy**). Telia's corporate purpose reflects a commitment and willingness to contribute to more resilient and equitable societies. This section presents Telia's most material impact areas, what it has achieved so far and the challenges it faces along the way.

Overview of content:

→ How we prioritize
→ Preparing for CSRD
→ Trends
→ Collaborations
→ Governance
→ Overview of achievements
→ Impact areas
→ Sustainability notes
→ Sustainability index

How we prioritize

Telia analyzes which sustainability topics (impact areas) it needs to act and report on, based on the double materiality principle. This means that Telia considers both the impact of its actions on the world around it and the impact of sustainability topics on its financial value.

Telia conducted its first double materiality assessment in 2023, which confirmed the material impact areas previously selected by the company (illustrated to the right). Telia has selected three of these areas as its main focus – Climate and circularity, Digital inclusion, and Privacy and security. These areas are connected to Telia's core business and therefore offer particular leverage. The remaining six areas constitute essential building blocks of an ethical and rights-respecting culture. All impact areas are embedded in Our Strategy.

More information about stakeholder engagement and double materiality determination is presented in Sustainability note S3, including specific context and trends for 2023 that affected Telia's material impact areas.

Our material impact areas

Priority impact areas

- Climate and circularity
- Digital inclusion
- Privacy and security

Other material impact areas

- Human rights
- Children's rights
- Freedom of expression and government surveillance
- Diversity, equity, inclusion and well-being
- Responsible sourcing
- Anti-bribery and corruption

Preparing for CSRD

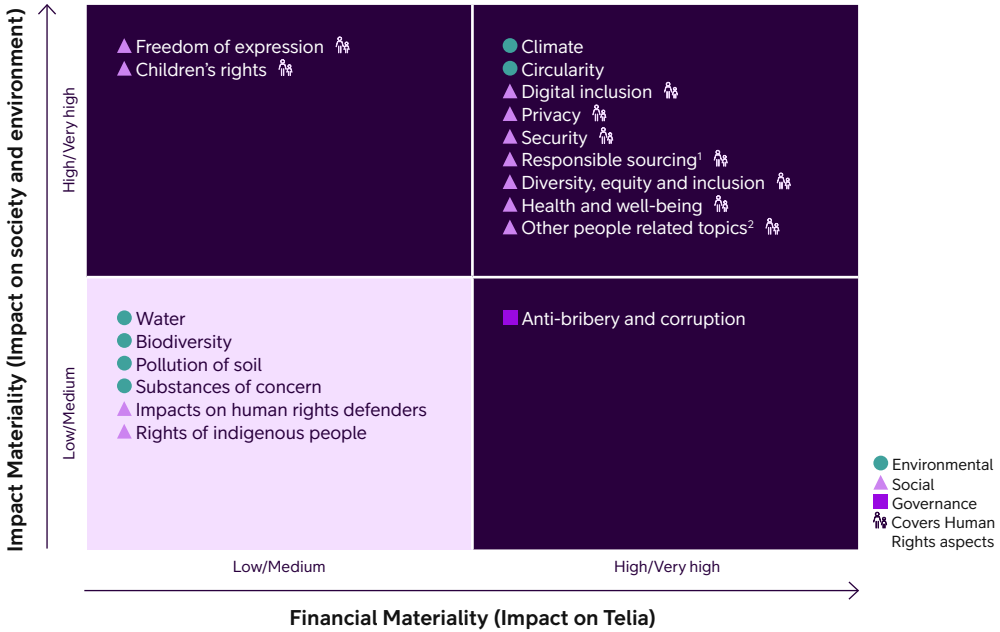
During the year, Telia worked to prepare for the Corporate Sustainability Reporting Directive (CSRD) and the related European Sustainability Reporting Standards (ESRS) that will enter into force in 2024.

In 2023, Telia conducted its first double materiality assessment (DMA) – see the results to the right. In the DMA, each topic was assessed in terms of its impacts, risks and opportunities using two main criteria: likelihood and impact level. The assessment was made from an inherent perspective, meaning that it was based on likelihood from an industry and geographical point of view, but without considering the company's current mitigation activities and controls. The DMA assessed each topic in terms of how the company impacts the outside world (society and environment) and how the world around it impacts the company financially.

Telia decided to consider topics with a "high" or "very high" impact materiality or financial materiality as material, and these topics will therefore be in focus in the company's CSRD reporting next year. Overall, the 2023 assessment confirmed Telia's current focus and priorities.

For detailed information about each material impact area, please refer to the following chapters. More information about stakeholder engagement and the double materiality assessment is presented in **Sustainability note S3**.

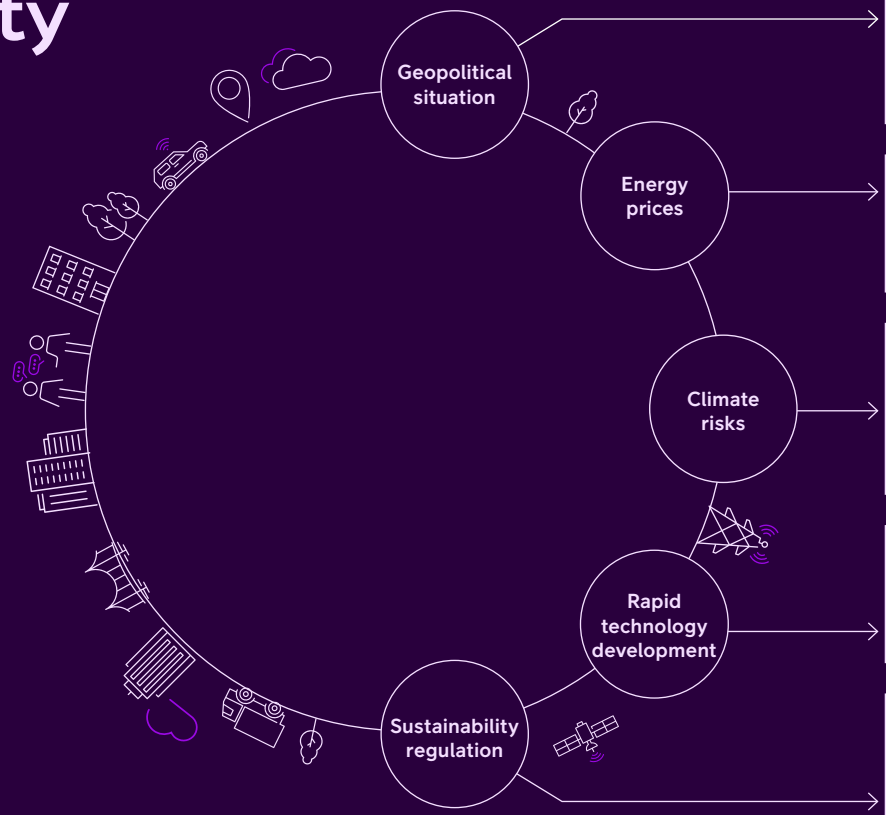
Double materiality



1) Child and forced labor, Health and safety, Working hours, Freedom of association
2) Freedom of association, Training and skills development, Adequate wages

Trends affecting sustainability in 2023

Telia's sustainability efforts were affected by certain trends in its business environment during the year, which emphasized the importance of the selected impact areas.



Geopolitical situation

Conflict levels remained high, reflected in cyberattacks, the spread of disinformation and hate speech. Sanctions against Russia led to continued blocking of media sites of Russian origin.

Read more:
- Privacy and security
- Freedom of expression and government surveillance

Energy prices

High energy price volatility led to continued focus on energy efficiency and affected the demand for and importance of IoT solutions that enable customers to reduce their electricity and fuel consumption.

Read more:
- Climate and circularity

Climate risks

Continued disconnect between actual and needed pace for emission reductions globally increased the overall climate risks for ecosystems, humanity and economies. In parallel, customer and investor demand for low-carbon, energy-efficient and circular products and strategies increased.

Read more:
- Climate and circularity

Rapid technology development

Acceleration of digitalization highlighted the need to ensure everyone has both high-quality digital access and the right skills. Generative AI breakthroughs increased the focus on privacy, security and ethics.

Read more:
- Digital inclusion
- Privacy and security

Sustainability regulation

Increased focus on sustainability regulations in areas such as ecodesign, circularity, energy efficiency, human rights and environmental due diligence. Reporting requirements further emphasized the importance of selected impact areas and structured ways of working.

Read more:
- Human rights
- Climate and circularity
- TCFD report

More information about material impact areas and how they are identified is presented in Sustainability note S3.

Collaborations to scale impact

Collaborative initiatives enable Telia to better understand and act on its impacts, risks, and opportunities. Telia learns by working together with experts and affected parties, and pools resources to maximize outcomes and leverage. Working with partners contributes to Telia's materiality assessments and enables the company to find efficient approaches. Selected examples of Telia's collaborative initiatives are presented here.

GSMA – The global industry association for mobile operators is engaged in developing sustainability-related guidance for several areas, most notably human rights and climate. Throughout the year, Telia collaborated in various workstreams, including Circular economy for devices, Circular economy for network equipment and Biodiversity. Telia also contributed to the GSMA's guidance on scope 3 reporting for telecommunication operators to ensure sector alignment.

ETNO – The European telecommunications industry association, in which Telia is a board member, has taken a forward-leaning position in driving policy development related to the EU Green Deal. This has included work to develop industry guidance related to the EU taxonomy and to shape industry positions on various laws relating to circularity and the environmental impact of telecommunications networks.

World Childhood Foundation, Save the Children and BRIS – Telia collaborates with child rights expert organizations to properly understand online risks to children and shape support materials and family offerings.

GNI – The Global Network Initiative is a multi-stakeholder organization that brings together ICT companies, human rights and freedom of press groups, academics, and investors to protect and advance global free expression and privacy in the ICT industry. The core of its work is to share learnings and create leverage when governments risk acting in violation of freedom of expression and privacy. Telia is a member of the board.

Forum for Social Innovation Sweden (MSI) – MSI at Malmö University has extensive knowledge about social impact assessments. Telia formed a partnership with MSI in 2022-2023 to develop an impact assessment tool and guide to enable impact assessments of the company's digital skills initiatives. Telia has made the tool available for other companies to use, in order to scale the adoption of impact assessments.

Joint Alliance for CSR – The Joint Alliance for CSR (JAC) is an association of telecom operators collaborating to develop and implement sustainability standards in their supply chains. Through JAC, members such as Telia share resources and best practices to further improve sustainability work in the lower tiers of telecom supply chains. In 2023, Telia contributed to JAC's joint call to action and educational webinars to get more suppliers to embark on the journey towards net zero.

Eco Rating – Eco Rating is a rating scheme that evaluates the environmental impact of mobile phones throughout their life cycle. Telia partnered with Deutsche Telekom, Orange, Telefónica and Vodafone to launch the initiative in 2021. The rating enables consumers to compare the environmental performance of various device models while spurring mobile phone manufacturers to reduce their environmental impact.

Exponential Roadmap Initiative – This cross-sector collaboration has the purpose of scaling initiatives to halve greenhouse gas emissions by 2030. Telia has been active in the creation of the initiative's **1.5°C Business Playbook**, updated in 2022, which provides a framework for companies committed to halving their emissions by 2030.

1.5°C Supply Chain Leaders – This initiative was founded by the Exponential Roadmap Initiative and business partners, including Telia, to advance climate work in global supply chains. Telia contributed to the development of practical guidance through the **Supplier Engagement Guide**, which supports companies in setting ambitious targets and initiating action. Support for companies with fewer resources is channeled via the **SME Climate Hub**.

Sustainability governance

Sustainability is integrated into Telia's daily business and via processes including strategy development, risk management and oversight mechanisms.

The ultimate responsibility for sustainability oversight lies with the Board, which also decides on the overall sustainability direction and policy commitments. The Board receives updates on sustainability performance twice a year and more often if needed as part of the CEO's monthly updates to the Board. The Board's Audit Committee receives risk reports from management twice a year, covering Principal Risk areas that incorporate Telia's sustainability impact areas, and decides on acceptable risk levels (see the section on **Telia Company's risk universe**).

Group Executive Management (GEM) and Governance, Risk, Ethics and Compliance (GREC) meetings are the primary decision-making forums at management level for sustainability-related topics. GEM adopts and follows up on Telia's sustainability goals, while GREC monitors sustainability-related risks via Telia's Enterprise Risk Management Model.

Within GEM and GREC, the Head of Communication, Brand and Sustainability has the overall responsibility for sustainability-related topics.

The Head of Group Sustainability reports to the Head of Communication, Brand and Sustainability and has the overall responsibility for proposing strategic content, goals and required actions and following up work that has been integrated across the organization.

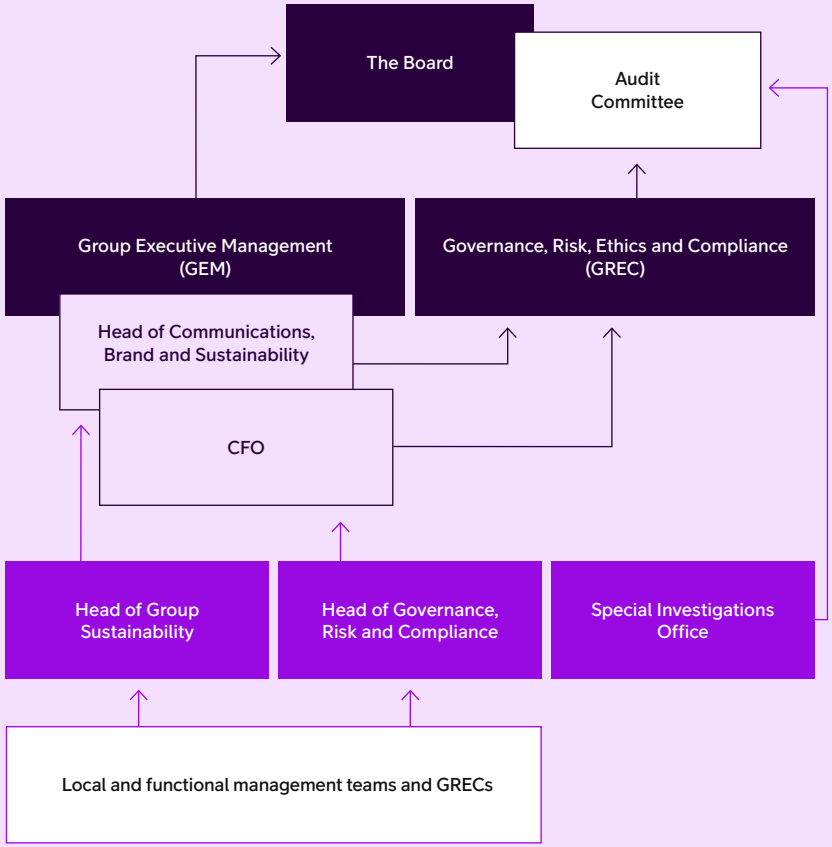
The Head of Governance, Risk and Compliance is in charge of the company's Enterprise Risk Management model, has operational responsibility and oversight over the anti-bribery and corruption program, and reports to the CFO.

The Special Investigations Office manages the company's whistleblowing system (the Speak-Up Line) with a direct reporting line to the Audit Committee of the Board.

At the local level, local management teams and local GRECs have similar responsibilities as the GEM and Group GREC.

There are also specific coordination and decision-making forums related to the respective sustainability impact areas, as reported separately in each impact area chapter.

Read more in the **Enterprise Risk Management (ERM) and Compliance Framework**, including **Whistleblowing and Speak-Up Line**.

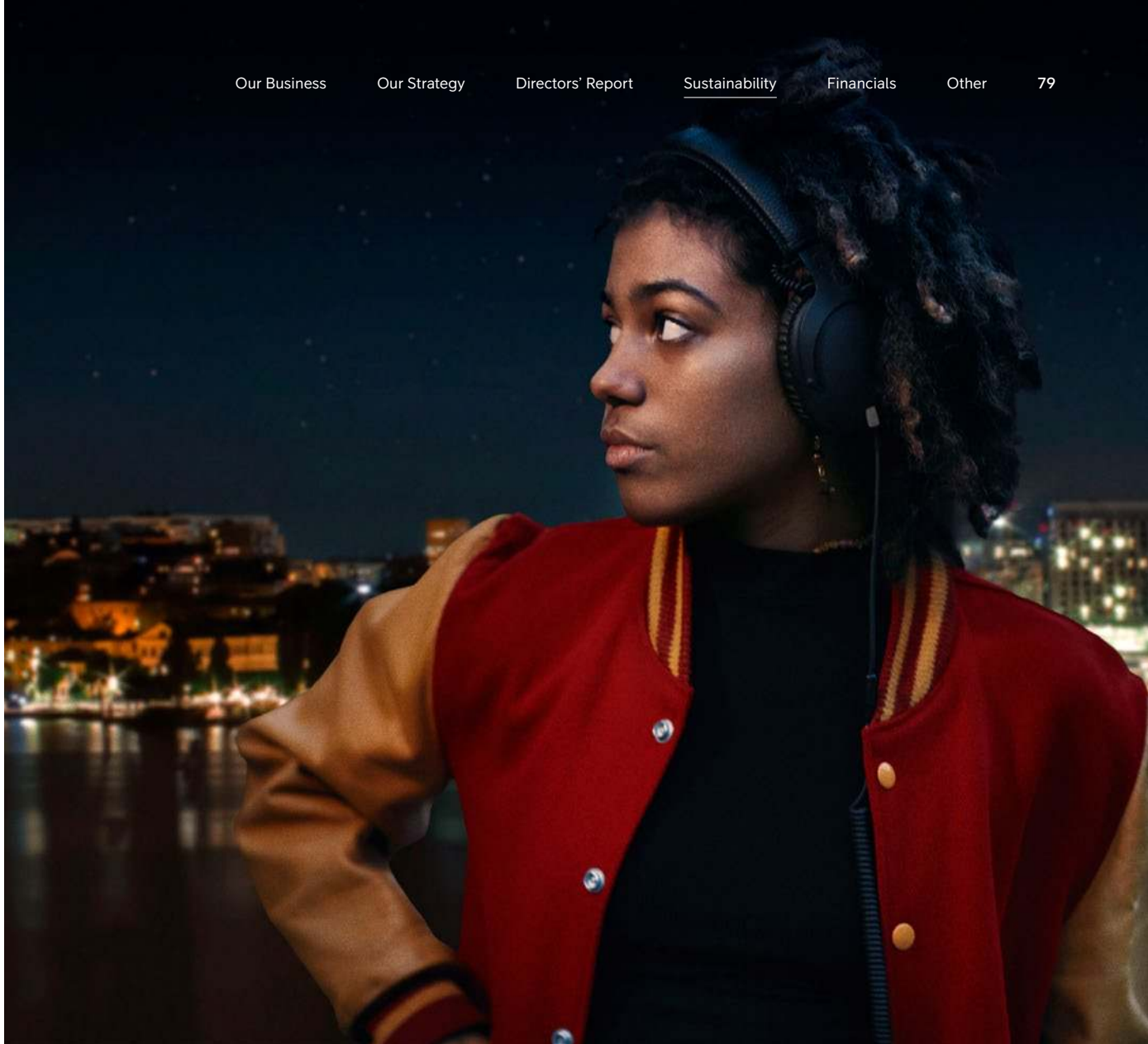


Code of Conduct

In 2023, Telia's Board launched an updated Code of Conduct. The updated Telia Code of Conduct reflects the changing risks across the company's geographical footprint and is aligned with its purpose and values.

The Code of Conduct serves as an ethical compass, providing high-level guidance on the essence of the company's policies and instructions regarding various topics, many of which relate to Telia's sustainability agenda. It applies to everyone at Telia – employees, members of the Board, contractors, consultants and freelancers, and demonstrates the company's commitment to the highest possible standards. Training in the Code's content is mandatory and various initiatives to enhance the various topics covered by the Code are implemented continuously throughout the year.

Underlying policies are approved by the Board and can be found on Telia's website. Further elaboration of the policies is available through instructions that are approved by the CEO or responsible GEM member.



Overview of 2023 achievements

The table opposite provides an overview of Telia's main achievements during the year and how its impact areas are contributing to the UN Sustainable Development Goals (SDGs). In addition, stakeholders can track Telia's performance via various external sustainability ratings.

2023 External rating results

Sustainability ratings provide Telia's stakeholders with information about its performance and maturity while helping the company to identify opportunities to make improvements. Below are some of the highlights for the year:

- EcoVadis Platinum medal, placing Telia in the top 1%
- A- CDP Climate Change score
- AAA MSCI ESG rating
- B- ISS ESG rating
- Included in the FTSE4Good Index

Strategic pillar	Impact area	SDGs: Direct impact	SDGs: Indirect impact	2023 Achievements
Inspiring customers	Climate and circularity	7	9, 11, 12, 13	- Achieved 87% CO_2e emissions reductions in own operations compared to 2018 - Suppliers responsible for 52% of supply chain emissions from purchased goods and services and capital goods have set science-based targets - 72% of waste in own and network operations reused or recycled
Connecting everyone	Digital inclusion	5, 9	10	- Reached 1,363,194 individuals with digital skill-building initiatives targeting seniors, children, SMEs and others
Transform to digital	Privacy and security	16		- Achieved top-tier positions (either first or second) on privacy in 3 out of 6 markets, according to the Telia consumer survey
Delivering sustainably	Human rights	3-5, 8, 10-12, 16		- Updated Telia's human rights salience analysis
	Children's rights		4, 16	- Ranked No. 1 in the global Tech & Telecom sector and No. 2 among all companies assessed in the Children's Rights Benchmark by Global Child Forum
	Freedom of expression and government surveillance	16		- Took measures to respect users' rights in relation to several high-risk requests from governments or local authorities
	Employee diversity, equity, inclusion and well-being		5, 8, 10	- 41% women in the Extended Leadership Team (~150 top leaders) - 79% of employees state that they are able to successfully balance work and personal life
	Responsible sourcing	8, 12	16	- Deep dive into labor rights risks related to field service and transport in all markets
	Anti-bribery and corruption	16		- Completed anti-bribery and corruption risk assessments and program maturity assessments in all markets

Climate and circularity

Year	Goals	2023 progress
On climate		
2040	- Net-zero by 2040, aligned with the requirements of the Science Based Target initiative (SBTi) Net-Zero Standard	- Target validated by SBTi in August 2023
2030	- At least halve emissions by 2030 and offset the rest (base year: 2018) - Science-based target: Reduce CO_2e emissions in own operations (scope 1 and 2)[1] by 90% (base year: 2018)	- 6% reduction achieved since 2018 - 87% reduction in own operations achieved since 2018
2026	- Achieve an A score in CDP's external climate assessment	- A- achieved
2025	Science-based targets (base year: 2018) - Halve emissions in own operations[1] - Supply-chain, upstream[2]: Engage with suppliers so that suppliers responsible for 72% of emissions from purchased goods and services and capital goods have set science-based targets - Customer use, downstream[3]: Reduce emissions related to the use of sold and leased products by 29%	- Achieved in 2020 - Suppliers responsible for 52% of emissions have set science-based targets (2022: 35%) - Reduced emissions by 25% (2022: reduced by 4%)
On circularity		
2025	- 84% of materials from Telia's own and network operations to be reused or recycled (100% by 2030)	- 72% was reused or recycled (2022: 76%[4])
2023	Extend the lifetime of devices through: - a significant increase of sales of pre-owned/ reused mobile phones (B2C) - a significant increase of sales of mobile phones provided as "Device as a Service" (B2B)	- Pre-owned/reused represented 4% of total mobile phone sales in B2C (2022: 3%) - Device as a Service represented 27% of total mobile phone sales in B2B (2022: 27%)
On energy		
2026	- Only use renewable electricity - Limit the electricity consumption increase to 7%, compared to 2022, while mobile data traffic in own networks is expected to double	- Achieved since 2020 - 4% increase in electricity consumption compared to 2022

1) Scopes 1 and 2 (market-based). 2) Scope 3 categories 1, 2.
3) Scope 3 categories 11, 13. 4) Update on historical waste data, see Sustainability note S4.

Approach

To forcefully address the climate crisis and the unsustainable use of natural resources, Telia is committed to achieving net-zero by 2040 (target in conformance with the new SBTi Net-Zero Standard and approved by SBTi). To achieve net-zero, Telia must reduce emissions by 90% (compared to base year 2018) and neutralize the rest. By 2030 Telia commits to at least halving absolute GHG emissions compared to 2018 and offsetting the rest, while continuing to move towards net-zero.

The work towards zero waste focuses on Telia's operations, including network construction and maintenance done by contractors. The aim is to prevent, reduce, reuse or recycle waste instead of sending it to incineration or landfills.

In addition, Telia is committed to enabling a net-zero and circular economy through Telia's offerings.

Telia's long-term decarbonization journey is broken down into more detailed near-term goals, as well as 2025 **science-based targets**, aligned with the 1.5° C pathway for the ICT industry (see table to the left).

Telia's approach is proactive and structured. Five out of six markets are covered by ISO 14001 certification and three markets are covered by additional energy management systems (**Sustainability note S18**). Environmental screening of energy consumption, waste and GHG emissions precedes investment decisions, which in turn affects, for example, product and service development. Telia acknowledges that it cannot achieve its goals alone. Therefore, Telia extensively collaborates and co-creates with others to accelerate progress. Selected examples are presented in the section on **Sustainability collaborations**.

This work is governed by the Group Policy – Environment

Work during the year

01. CLIMATE

Work to achieve net-zero by 2040
Telia has reduced absolute CO_2e emissions from its own operations by 87% since 2018 (scope 1 and 2). Part of the achievement relates to Telia's decision to only use renewable electricity when powering its operations, including networks and data centers. In the coming years, Telia will continue its efforts, aiming to reduce the remaining emissions from its own operations by at least 90% by 2030. The remaining emissions are generated by diesel-powered backup generators, district heating and Telia's car fleet, among other examples, and the company is working to find and adopt alternatives.

As illustrated on the next page, most of Telia's total value chain emissions, an estimated 87%,

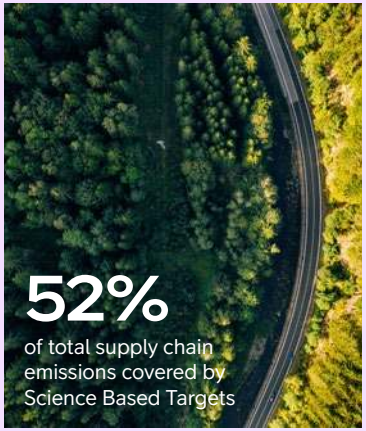
are generated in its supply chain, compared to only 1% generated in its own operations. Working closely with suppliers to ensure emission reductions is therefore the key to achieving its goals. In the procurement process, Telia assesses suppliers' climate management maturity so that it can reward the best performers and influence the others. During 2023, Telia continued to engage with its suppliers, urging them to set science-based targets. By year-end, suppliers responsible for 52% of Telia's total supply chain emissions from purchased goods and services and capital goods were covered by such targets. An additional 11% have committed to setting these goals within two years. Telia's goal is for 72% of its total supply chain emissions from purchased goods and services and capital goods to be covered by 2025. For more information about Telia's supplier requirements, visit its **website**.

Telia's latest update on scope 3 emissions in the value chain reveals a 6% decrease compared to the base year (2018). The decrease is mostly due to changes in global industry average carbon intensity factors (environmentally extended input-output factors). To date, when calculating supply-chain emissions, Telia has largely depended on calculations based on EEIOs, which makes it difficult to track emission reductions based on supplier selection and supplier action. Telia therefore aims to incorporate a higher share of supplier- and product-level data in the coming years, as suppliers increase their ability to report data. Telia has also joined forces with global peers such as Ericsson, IKEA and Unilever in the **1.5°C Supply Chain Leaders initiative** to provide support to suppliers in both target setting and reporting via **the Supplier Engagement Guide** and the **SME Climate Hub**.

Telia's key supplier clusters, from a GHG emission perspective, are illustrated to the right. In 2023, in addition to its push for science-based targets, Telia started to create more detailed strategies for network equipment, mobile phones and customer premise equipment such as routers and TV set-top boxes, including circularity initiatives related to both suppliers and its own offerings and practices. Telia also identified its most material products and services to focus on in the coming years from a climate transition perspective. This work will continue in 2024 as Telia further develops its transition plan. In 2022, emission modelling from a 2030 and 2040 perspective was conducted by Telia and Accenture, based on factors such as Telia's current goals, planned actions, and expected effects from external drivers such as policy developments, the pace of energy transition, electrification and digitalization. Modelling results illustrated the need for an increased reduction pace in Telia's supply chain, as well as the need for a circular shift within the company, the telecom industry and society as a whole. Various related policy measures, such as the Corporate Sustainability Reporting Directive (CSRD) and the EU Green Deal, as well as efficient carbon pricing mechanisms, are crucial for Telia and other companies to achieve their net-zero goals. Telia therefore pursues targeted policy engagement, both in the local context and in global settings such as **COP28**.

More information about how Telia plans to transition into the low-carbon and circular economy is available in the TCFD/Transition plan section of **Sustainability note S4**.

Climate highlights



52%
of total supply chain emissions covered by Science Based Targets

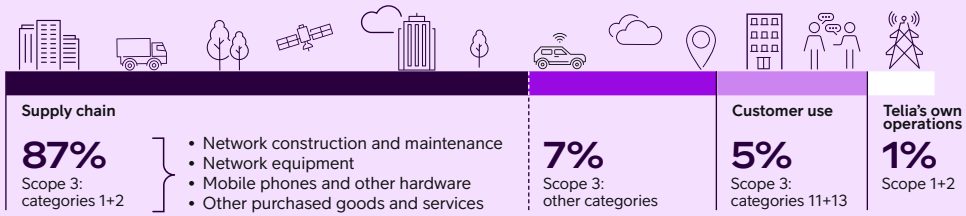
87%
of absolute emission reductions in own operations since 2018

100%
renewable electricity throughout our own operations since 2020

A-
CDP Climate Change score

Where do the CO_2 emissions come from?*

The vast majority of Telia's total value chain emissions, an estimated 87%, are generated in its supply chain: scope 3 category 1 (purchased goods and services) and category 2 (capital goods).



* Shares based on Telia's 2022 emissions calculation

Additional climate data is presented in **Sustainability note S4**.

Managing energy while digitalizing societies
Energy is one of Telia's most significant environmental aspects. Telia's strategy to manage energy impacts and costs consists of several parts, including:

- Increasing energy efficiency through new network hardware and power-saving features
- Managing power consumption by decommissioning legacy networks and modernizing sites – for example, by placing relevant units outdoors to reduce the need for cooling
- Only using renewable electricity when powering its own operations and looking for alternatives to the remaining fossil-based energy sources
- Providing customers with solutions that enable energy reductions (see next section).

During the year, Telia's operations consumed approximately 1,180 GWh of electricity, an increase of 4% compared to 2022. Electricity comprised 95% of the total purchased energy, while the remaining share consisted of district heating and district cooling, vehicle fuels, natural gas and diesel used for backup power. Since 2020, Telia only uses electricity from renewable sources, covered by guarantees of origin or secured through long-term power purchasing agreements including wind, solar, hydro and biomass. Energy-efficiency measures have intensified in recent years. Compared to 2022, electricity consumption per subscription increased by 1.8% in 2023. This is mainly due to the 5G network rollout and the closure of the old public switched telephone network. However, electricity consumption per bit of mobile data transferred decreased by 12.2% in 2023.

Additional energy data is provided in **Sustainability note S4**.

Green bonds

Telia published its green bond framework in 2019 and has successfully issued green bonds on several occasions since then. The current total outstanding volume of green bonds is approximately EUR 1,160 million. The proceeds have mainly been used to finance more energy-efficient networks and the transition from copper to fiber and 5G in Sweden, but also for green digital solutions that enable customers to reduce emissions and save energy. Read more in **the green bond report**.

Enabling other sectors to reduce emissions and energy
Several studies, such as the **Exponential Roadmap report**, reveal that connectivity and digital solutions have the potential to improve resource efficiency and reduce GHG emissions across sectors. Since 2020, Telia has tracked "enablement effects" for products and services such as remote meetings and IoT solutions for buildings, transport and utilities. Based on products and services delivered during 2023, Telia estimates that these categories enabled emission reductions totaling more than 433,000 tons of CO_2e in 2023, the equivalent of emissions arising from over 3.1 million return trips by air between Stockholm and Helsinki.

Apart from the carbon enablement effect, Telia also measures energy reductions enabled by IoT. Electricity savings from such services are important to limit overall environmental impacts and enable the full phaseout of fossil energy in the wider energy system. Telia estimates that in 2023 it enabled energy savings of approximately 2,150 GWh through IoT solutions for smart buildings, utilities and transport, equivalent to the annual energy consumption of 228,000 average Swedish households.

Moreover, the underlying connectivity Telia provides enables further indirect reductions that are more difficult to capture. For example, as a connectivity provider, Telia enables various digital solutions offered by other digital players, such as circular economy business models that significantly reduce resource use.

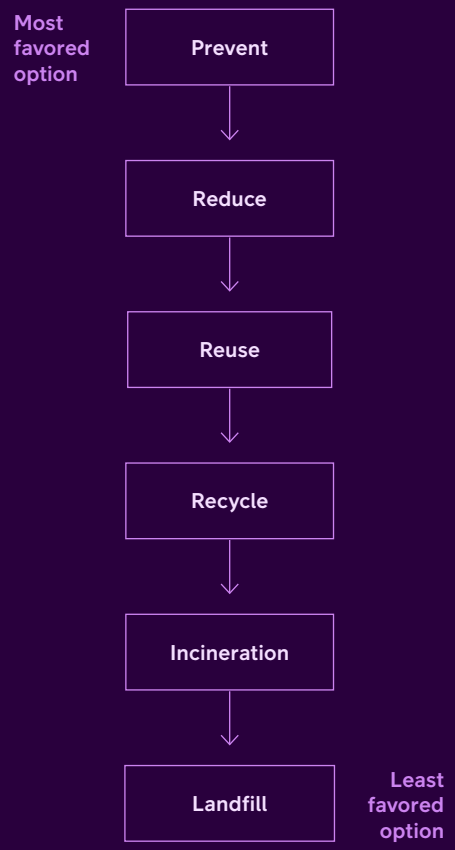
Read more about Telia's enablement methodology and the results in **Sustainability note S4**.

02. CIRCULARITY

Shifting from a linear to a circular economy and starting to use natural resources in an efficient way will be critical if we are to tackle climate change and start existing within planetary boundaries that are safe for humanity and ecosystems. Given this reality, Telia has committed to achieving zero waste in its own operations, including network construction and maintenance, by 2030. This means applying the principle of "prevent, reduce, reuse and recycle" (in that order) across all material streams. Telia is equally committed to enabling circularity through its offerings.

Embedding circularity in our own operations
Telia is focused on moving up in the waste hierarchy to prevent/reduce waste and increase reuse and recycling. The progress that Telia has made towards achieving its zero-waste goal is

Waste hierarchy



Case:

Enabling smart transport

Alongside its commitment to achieving net-zero emissions in its own value chain, Telia is equally committed to enabling its customers to reduce CO_2 emissions and use natural resources more wisely with the help of digital solutions. Research shows that digitalization can play a key role in the low-carbon and circular economy. In all of Telia's markets, it is challenging to reduce transport emissions at the pace required to minimize climate change. Transport is therefore one of the sectors in focus for Telia's enablement efforts.

The Nordic and Baltic regions have some of the world's most advanced, well-functioning public transport systems. However, for public transport to reach its full potential, operators need to find ways to increase its utilization, reduce costs and minimize environmental impact. A report from Telia shows that a full deployment of the digital solutions available today could increase the number of public transport passengers by 18 percent. For several years, Telia has developed smart solutions for public transport together with Nobina, the largest public transport company in the Nordics. In 2023, Telia and Nobina expanded sales of solutions such as real-time information from buses for energy-efficient operations and increased safety for drivers and passengers to Norwegian public transport companies in Oslo and the southeastern areas of Nedre Glomma.

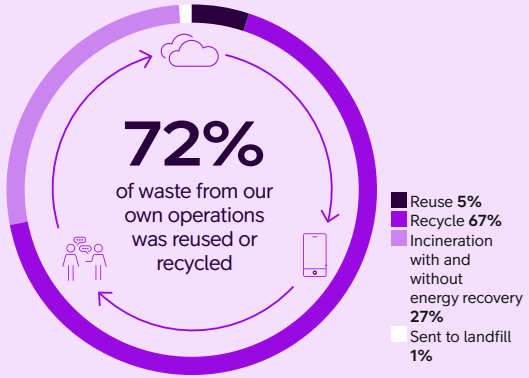
In February 2023, Telia and Ericsson launched the NorthStar program to accelerate the use of 5G, with a particular focus on the development of smart and sustainable transport solutions. With the help of EU funding, NorthStar started to develop 5G transport corridors during the year, along selected routes between important industrial and technology clusters around Sweden. The corridors will connect controlled test areas with public roads, with full-scale tests scheduled to start in the second quarter of 2024. The initiative is expected to play a key role in developing connected autonomous vehicles such as self-driving electric trucks in a safe and secure way.

Research shows that digitalization can play a key role in the low-carbon and circular economy.

Circularity highlights

27%
of mobile phones sold to B2B customers were "as a service" to extend lifetime of the devices and enable reuse and recycling

17%
of routers and TV set-top boxes delivered to customers were reused



Telia IoT services enabled customers to save energy equivalent to annual consumption of
228,000
Swedish households

highlighted in the graphics on the left-hand side of this page. During 2023, 72% of waste was either reused or recycled, 27% was incinerated (with or without energy recovery), and 1 % was directed to landfill. Recycling and reuse opportunities vary across Telia's markets and across different waste types. Incineration with energy recovery is a very common practice in Telia's markets. The decommissioning of telephone poles generates a big share of what is currently incinerated. There is currently no alternative since the poles are impregnated and therefore classified as hazardous waste, but Telia aims to continue gradually dismantling these poles in the future. When excluding the poles, 3% of total waste remains to be addressed to achieve Telia's 2030 zero waste goal. Additional waste data is presented in **Sustainability note S4**.

In 2023, as part of its work on advancing circularity within its own operations and reducing GHG emissions, Telia initiated a supplier engagement project with network equipment vendors to align on the requirements of the European Sustainability Reporting Standard E5 – Resource Use and Circular Economy. The purpose of the project was to limit suppliers' resource use and increase their circularity efforts, as well as to ensure their readiness to meet CSRD requirements in that area, thereby mitigating risks arising from Telia's dependencies on suppliers.

Offering circular products and services
Environmental screening – focusing on emissions, energy, waste and hazardous materials – is included in Telia's product development and sourcing process to control which products enter Telia's flows.

Telia also aims to scale circular business models and thereby help extend the lifetime of electronics and increase recycling rates. Circular business models require shifts in consumer perception, but are becoming increasingly interesting for customers as Telia adds value – for example by providing hardware support, repair and insurance, rather than just delivering a product.

Telia continued to participate in the **Eco Rating of mobile phones**, an initiative that was launched in 2021 in partnership with other operators to drive circular principles within the mobile phone manufacturing industry. The rating, which is based on lifecycle assessments, makes it easy for customers to understand the environmental impacts of a phone, thereby incentivizing manufacturers to apply circular principles from design through the end-of-life phase, and helping Telia to prepare for upcoming ecodesign requirements.

Enabling circularity in other sectors
Digitalization can accelerate the circular shift by enabling various sectors to use energy, fuel, water and other resources in more efficient ways. As a connectivity provider, Telia enables various circular business models, such as platform sharing and blockchain technologies for traceability. In many cases, digital solutions also enable dematerialization. These effects are sometimes indirect but reflect the importance of Telia's core business – connectivity.

Circularity highlights and additional information are presented to the left and in **Sustainability note S4**.

Case:

Ensuring hive well-bee-ing with IoT

Although beekeeping dates back 4,000 years, its methods have hardly changed for centuries – until now. In 2023, Telia's IoT solutions enabled beekeepers to remotely monitor their hives and provide researchers and authorities with valuable data that can help protect threatened bee populations.

In collaboration with Telia, BeeLab Technology Sweden AB is connecting beehives across Sweden with Telia Narrowband IoT connectivity (NB-IoT), enabling access to beehives even in the most remote and hard-to-reach places. Most of the world's crops and flowering plants depend on pollination by bees, making them essential for maintaining the biodiversity and ecosystems we rely upon. But entire bee populations are dying worldwide, and more data and research is needed to understand how to save them.

BeeLab installs sensors to measure each hive's weight, humidity and temperature and uses that data to understand each bee colony's condition, honey production, population size and adaptation to external factors such as weather. Sensor data is sent several times an hour from a gateway inside each hive to the cloud, via Telia NB-IoT connectivity. This approach enables remote monitoring of conditions and the opportunity to act swiftly when necessary.

For more information on Telia's work on biodiversity and water, please refer to **Sustainability note S4**.

Telia's IoT solutions enable access to beehives even in the most remote and hard-to-reach places.

Digital inclusion

Year	Goals	2023 progress
2026	- Reach 2.2 million individuals with digital inclusion initiatives from 2021 to 2026	- 1,363,194 individuals reached since 2021 (347,280 in 2023)
2024	- 96% 5G population coverage	- 87% coverage (2022: 70%)

Approach

Telia Company is committed to connecting everyone to the most trusted, reliable and efficient modern networks. Ensuring that everyone has access to reliable connectivity and the right digital skills is the key to making sure that no one is left behind in the digital world. Telia's work in this area focuses on contributing to digital equality and inclusion, to ensure that individuals and societies in the Nordics and Baltics capture the full potential of digitalization.

Digitalization is currently transforming societies – creating both opportunities and risks. Those who are digitally included can make the most of new opportunities. Those who are excluded risk being left behind when services such as health care, banking and education are digitalized, and as other social arenas continue moving online.

Work during the year

Providing reliable access
Quality: Telia is committed to providing high-quality services to its customers and in 2023 the company continued to make considerable investments to improve connectivity quality for everyone. By the end of 2023, Telia had achieved the following milestones:

- Almost 100% 4G population coverage
- 87% 5G population coverage
- 6.5 million homes across all markets covered by fiber access
- In areas where fiber access is not viable, Telia provides fixed wireless access via its 4G and 5G networks

Stakeholder concerns primarily relate to two main areas: the differences in quality between urban and rural areas, and the effects from the shutdown of the copper network. While acknowledging the differences in quality between urban and rural areas, Telia has committed to improving network coverage across its markets. In four out of six markets, Telia is perceived to have the best 5G network coverage and quality, according to crowdsourced data and field measurements (OpenSignal, Umlaut and others). On overall mobile network quality, Telia is No. 1 in three of its six markets, and the company is improving

Accessibility in Telia's shops and offices

In 2023, Telia Lithuania collaborated with accessibility experts to conduct an accessibility audit in its physical and online stores, focused on visual disability. To raise awareness about visual impairment on White Cane Awareness Day, Telia personnel took turns walking around their retail stores with blindfolds on or leading a blindfolded colleague. A training session on physical and visual impairment was conducted by two guests, each representing one of the disabilities. More than 100 employees attended this session. In addition, more than 300 employees participated in an online course in which they learned how to approach people with disabilities. This training is mandatory for all frontline employees.

its mobile network quality through its ongoing modernization program. The shutdown of copper networks presents risks such as the installation of new fiber- or mobile-network-based solutions and learning how to handle new hardware, but these are carefully managed in coordination with municipalities and relevant authorities to prevent negative effects on individuals or communities.

Affordability: Due to high inflation and the economic downturn that continued in 2023, risks related to the affordability aspect of digital inclusion increased. Telia is mitigating these risks by recommending lower-cost subscription options to consumers who are facing challenges or offering them the possibility of switching to its low-cost brands.

Accessibility: Telia aims to ensure accessibility for everyone by enabling those with disabilities to seamlessly utilize its services. Telia has updated its global design system to align with the European Accessibility Act (EAA-Directive 2019/882) and adheres to the Web Content Accessibility Guidelines standard (at least WCAG 2.1 AA), which covers aspects such as color contrast, readability and screen reader compatibility. The company has initiated a process that fosters collaboration and disseminates accessibility expertise across the organization to ensure compliance with the EAA.

Building digital skills
As societies digitalize, risks and opportunities linked to digital skills are increasing. Therefore, in 2021 Telia launched a group-wide digital skills program, based on its analyses of local needs. During 2023 – having achieved its initial target of reaching 1 million individuals with digital skills initiatives by 2025, three years ahead of the target date – Telia increased its target to 2.2 million individuals by 2026, primarily targeting seniors, children, immigrants, women and SMEs. By the end of 2023, Telia had reached 1,363,194 individuals with digital skills initiatives.

During the year, in collaboration with experts from Malmö University and Jönköping University, Telia finalized a project to develop a methodology to measure the impact of Telia's digital inclusion initiatives. The methodology and guide are available on its website free of charge for all interested parties and other companies who would like to explore impact measurement in this area. During the year, the methodology was used to measure the impact of digital inclusion initiatives in four countries. More information is available on the company's website.

More information on how Telia calculates "reach" and conducts impact assessments is available in **Sustainability note S5**. Examples of ongoing initiatives are presented on the next page.

Digital Inclusion Benchmark

The World Benchmarking Alliance has set out to develop transformative benchmarks that compare companies' performance on the UN Sustainable Development Goals. During 2023, 200 keystone digital companies were benchmarked across four measurement areas: access, skills, use and innovation. In this benchmark, Telia was ranked 12th out of 200 global companies, and 4th among companies in Europe.

Initiatives to build digital skills – selected examples

Helping new arrivals to increase their knowledge of digital services

Immigrants in Telia's markets face barriers that could prevent them from being included in society. To help immigrants overcome some of these barriers, Telia launched the "Digital in Sweden" initiative together with municipalities around the country. During the year, Telia and its partners organized 15 events and inspired over 300 new arrivals to use important digital community services. In a summarizing evaluation, it was found that the initiative had a positive impact on the new arrivals' knowledge of digital services in Sweden and that it contributed to the municipalities' ability to support new arrivals so that they become digitally included in Swedish society. More than 80% of the participants who took part in the evaluation wanted to try more digital services after the event, and most also thought that their level of knowledge had increased.

Supporting the employment of women in the technology sector

In Estonia, only 20% of women work in the technology sector and the sector has a shortage of at least 7,000 people. To address this asymmetry, the "Women in Tech | Telia" initiative was created in cooperation with the Smart Work Association in Estonia. The initiative offers free five-month training programs for women. So far, 50 women have participated in the program and 48 of them successfully completed it. A survey revealed that 20% of the participants went on to start new careers in technology. The most significant benefit of the initiative, according to the participants, is the opportunity it gives them to regularly meet and support each other.

Improving the digital skills of seniors

Technology enables seniors to be socially active and access vital online services, such as those related to banking and health. However, technology can be challenging. During the year, the "Safely online" initiative in Finland encouraged nearly 6,000 seniors to embrace the online world, through online webinars about digital safety and local workshops. The initiative is the result of a partnership with OP Financial Group. An impact assessment revealed that the participants were able to enhance their every day digital safety skills, for example by learning how to recognize phishing attempts and safely use digital services.

Making digital skills and coding attractive for children

Encouraging children to consider eventually pursuing an IT career is essential to ensure a sustainable talent pipeline for the future. In response to the growing demand for digital skills, Telia Lithuania launched the inaugural National IT Challenge. This nationwide initiative targets students in grades 7-9, with the goal of sparking interest in IT and programming. The project aims to bridge the IT knowledge and education quality gap between urban and rural areas while emphasizing opportunities for gender-inclusive learning. In 2023, the National IT Challenge reached 750 schools across the country with over 8,500 registered students and teachers.

Privacy and security

Year	Goals	2023 progress
Annual	- Continuous implementation of "privacy and security by design" approach	- Achieved
On privacy		
2026	- Top-tier positions on customer privacy in all markets	- Ranked first or second by consumers in three of six markets
On security		
2023	- Preferred supplier, responsive to and pro-actively addressing customers' security needs	- Several contract wins with elevated security requirements during the year

Approach

Telia is committed to respecting the privacy rights of its customers and employees and keeping their information safe. To that end, the company takes a proactive approach to assessing the impacts of its data processing on data subjects and ensuring that it handles their personal data lawfully, fairly and in a transparent manner.

Today, societies and individuals depend on Telia's network infrastructure to function. The company puts significant effort into securing service continuity and protecting its systems from cyberattacks. Telia also provides customers with knowledge and tools to protect themselves and their businesses against various forms of cyberthreats.

Telia's 2023 goal is to have top-tier positions in privacy in all markets and to be a preferred supplier due to the security measures it implements. Robust processes, the right competencies and interaction with customers are required to understand their needs and expectations.

This work is governed by Group policy – Security and Group policy – Privacy and data protection

01. SECURITY

Processes
Geopolitical events are accelerating the risks associated with cyberattacks for Telia's customers, its industry and society at large. These risks need to be managed with a broad spectrum of proactive measures that allow Telia to effectively adapt to rapidly changing security environments. On the human side, the company invests heavily in both broad security awareness throughout all parts of its organization as well as in deep expertise in the various security disciplines. Telia habitually challenges and adjusts its security processes to ensure that they are fit for purpose – not only from an internal perspective, but also through the lens of independent, external security auditors. The company recognizes that it is important to not only increase its investments in modern and adequate security tools, but also to master their utilization to the fullest extent possible.

Telia's security governance framework is developed and refined in alignment with ISO 27001 and other relevant and renowned best practice guidelines, such as US National Institute of Standards and Technology Cybersecurity Framework and Center for Internet Security Critical Security Controls. The framework specifies requirements for information security and related risk management across all of the company's functions and local organizations. Telia maintains an ISO 27001 certificate and external audits are carried out annually to ensure proper security measures and continuous improvement.

Telia's Global Security Operations Center (GSOC) takes responsibility for the company's reactive capabilities by monitoring and handling cybersecurity incidents around the clock. The GSOC is a member of the Forum of Incident Response and Security Teams (FIRST) and is a Trusted Introducer (TF-CSIRT).

Work during the year

Winning contracts with elevated security requirements
Telia's ambition is to stay close to its customers' security needs and to be a preferred supplier. National security legislation is placing increasingly stringent demands on several of the company's most important customers and Telia is in an advantageous position to continue delivering the security solutions that its most demanding customers need. As an example, thanks to its strong security capabilities and credentials, Telia Lithuania was chosen as the sole provider of IT and connectivity services for the NATO summit that took place in Vilnius during the year.

ISO 27001 certification
Telia's ISO 27001 certification plays an important role in the continuous strengthening of the company's practices and in its ability to meet its customers' demands. During the year, the certificate was maintained with an unchanged scope, comprising areas such as the GSOC, Information Security Governance, Enterprise Information Security Risk Management, Incident Management and Change Management, SOC services, contact center services and cloud-based communication services. More information regarding local certifications is available in **Sustainability note S18**.

Work to ensure business continuity
As digitalization gains pace, customers and society as a whole are increasingly dependent on the services Telia provides. Ongoing geopolitical developments underline this fact. Therefore, the company maintains a strong focus on the robustness and performance of the design and life cycle of its services. Telia ensures that continuity and recovery plans are in place to build resilience and counteract unexpected disruptions.

Telia's Business Continuity Management (BCM) framework is applied to critical services, functions, processes and resources. It identifies important dependencies and risks and ensures an effective response to disruptive events. It also drives

implementation of continuity measures and solutions. The framework is aligned with the ISO 22301 standard and ensures that Telia complies with regulatory requirements in the markets in which it operates.

To maintain employee awareness about security matters, a continuous nano learning course is mandatory for all employees. By year-end, 60% of employees had completed the trainings.

02. PRIVACY

Telia's processes
Telia has adopted a "privacy by design" approach to ensure GDPR compliance and transparent management of personal data in all new products and services. The key components of its approach are:

- Embedding data protection into its business, including products, processes, and IT systems from the initial design stage and then throughout their life cycle
- Analyzing data protection parameters jointly with privacy experts, from the initial planning stages of a data processing operation
- Conducting a privacy assessment and, when needed, a data protection impact assessment before carrying out data processing where the initiative is likely to result in a high risk to the rights and freedoms of individuals

Continuous testing of processes, routines and controls
Telia continuously reviews and updates privacy processes based on evolving best practices, applicable legislation, case law and government recommendations. Information on how the company processes personal data is provided through transparency notices available in all relevant languages.

Responsibility for customer and employee privacy is divided between the Privacy Legal Team and the Data Protection Officer's (DPO) Office, and the Privacy Operations team supports the organization in implementing the privacy requirements. The Privacy Legal Team provides legal advice and proactively supports the business in its "privacy by design" work. The DPO Office has a special role due to GDPR requirements and is independent to avoid conflict of interest. The DPO Office carries out reviews and tests compliance with GDPR and the e-Privacy Directive, responds to requests from individuals in data protection cases and interacts with data protection authorities in matters related to customer privacy. The Group DPO reports regularly to the GREC management forum and the Board of Directors.

Work during the year

Strong privacy position
Consumer studies conducted by SB Insight show that privacy is the top sustainability topic that consumers want Telia to focus on. The company regularly tracks how consumers perceive its privacy work compared to its competitors through an external survey conducted by Telia. By the end of the year, three of six markets were ranked either first or second.

Telia works continuously to strengthen its processes, build competencies and enhance transparency in customer-facing channels. The latter is important to increase customer awareness of their rights and how the company uses their data (examples provided below).

Protecting user rights
Individuals can exercise their GDPR rights by providing or withdrawing consent, objecting to certain processing purposes, or requesting to be forgotten. This can be achieved by contacting customer service, visiting Telia stores or accessing online customer self-service portals that enable individuals to easily access their accounts and make requests.

During 2023, Telia received around 4,100 right of access requests from customers who wanted to obtain a copy of their personal data. This helps customers understand how and why the company is using their data and enables them to verify that Telia is doing so in accordance with the law.

To ensure safe handling of personal data, privacy training is conducted via an e-learning course that is mandatory for all employees. By year-end, 86% of all employees had completed the training. There are also specific courses for employees who handle personal data directly and have direct customer contact, such as customer care and retail staff, and for IT system owners.

Work to identify and prevent data breaches
Telia entities follow a common investigation and reporting process in all suspected personal data breach cases. The company reports all personal data breaches to supervisory authorities and notifies individuals in a timely manner, when applicable. To minimize the risk of breaches, when a mitigating action is applied in one unit it is also shared for implementation across the group.

In 2023, Telia confirmed 664 personal data breaches across its markets. Most cases were related to human errors or technical errors that caused personal data to be disclosed or accessed in an unauthorized way, for example when one customer's data was unintentionally sent to another.

During 2023, Telia launched a company-wide e-learning training on Personal Data Breaches. The training aims to further increase employee awareness about which events are considered personal data breaches, how to quickly report a suspected breach for investigation and how to prevent breaches from happening.

Definitions for the terms used in this chapter can be found in **Sustainability note S6**.

AI/data ethics

In 2019, Telia developed its Guiding Principles on AI Ethics, a document that has played an instrumental role in the process of developing data-driven services such as Telia Crowd Insights. These principles have been applied in internal AI assessments in which the ethical use of AI is assessed to develop or use AI functionalities and tools at Telia. An internal assessment of Telia use cases in 2022, based on the upcoming EU AI Act, showed that the company's overall AI risk exposure is low, but that certain use cases – such as credit scoring, voice authentication and workplace analytics – are associated with higher risks. As a political agreement has been reached on the AI Act in the EU, Telia is monitoring the situation closely and will start preparing to implement the AI Act in 2024. Telia will monitor new risk areas as they emerge through screening questions in areas such as sourcing and in AI assessments. Risks often relate to privacy, other human rights, security, intellectual property rights and liability.

Human rights

Approach

In line with the UN Guiding Principles for Business and Human Rights, Telia is committed to respecting human rights throughout its value chain by applying human rights due diligence. The company's products and services also enable the realization of certain human rights, for example by facilitating access to health care, education and jobs. Research results from the **GSMA's 2023 Mobile Industry Impact Report** show that connectivity and digitalization can accelerate progress in relation to the UN Sustainable Development Goals. This chapter outlines Telia's human rights due diligence process and lists the human rights topics that the company has identified as the most salient ones. More specific information on each topic, including goals and outcomes, is provided in the subsequent topic-specific chapters.

This work is governed by the Group policy – Human rights

Prioritized action areas
Human rights are universal, indivisible and interdependent. Therefore, human rights risks are difficult to rank and compare. Still, it is important for Telia to identify the specific human rights that are most salient in its markets and value chain. In 2022, due to changes in socioeconomic factors in its markets and globally, Telia updated its salience analysis together with non-profit organization BSR. In 2023, Telia incorporated this work, including updates, into its double materiality assessment presented on page 75. The table provides additional detail on the most salient topics.

In addition to the issues listed above, there are other areas with material human rights implications, such as environmental degradation, corruption and trade sanctions. Moreover, AI is expected to increase risks related to labor and customer rights, such as job insecurity for employees and discrimination in own operations or downstream due to biased algorithms.

For more information on how Telia defines and determines salience, see **Sustainability note S7**.

Work during the year

Human rights due diligence
In 2021, Telia consolidated its human rights practices into a human rights due diligence strategy by strengthening its governance and clarifying the division of roles. Today, the Human Rights Core Team, consisting of internal experts in salient human rights topics, has a dedicated role in performing due diligence. During 2022

Salient area	Value chain	Most salient issue within respective area	Telia response
Privacy	Downstream	Privacy compliance when using customer data for advanced business insights	See **Privacy and security**
	Own operations	Use of workplace analytics	
Security	Downstream	Human rights affected by large cyberattacks/ disruptions to Telia services (right to life, safety, indirect effects due to economic losses, etc.)	See **Privacy and security**
Digital exclusion	Downstream	Indirect human rights impacts from having no or limited access to societal services due to lack of digital access or insufficient digital skills	See **Digital inclusion**
Children's rights	Downstream	Availability of child sexual abuse material online Lack of skills on how to avoid or handle harmful situations online	See **Children's rights** and **Digital inclusion**
Freedom of expression and government surveillance	Downstream	Government surveillance of individuals through direct access to Telia's networks and systems creates privacy risks and chilling effects on freedom of expression	See **Freedom of expression and government surveillance**
Media freedoms	Supply chain, Own operations, Downstream	Government restrictions on independent journalism and freedom of expression	See **Sustainability note S7**
Labor rights	Own operations	Harassment/violence, discriminatory practices, excessive working hours	See **Diversity, equity, inclusion and well-being**
	Supply chain	Forced and child labor, absence of the right to organize and bargain collectively, occupational health and safety (incl. excessive working hours) Other human rights due to presence in or sourcing from high-risk/conflict-affected areas	See **Responsible sourcing**

and 2023, the company strengthened the due diligence capabilities of additional staff groups through face-to-face training, with a particular focus on members of the local risk forums (the GRECs). Key individuals in the investment process, who work with product development and other investments, were also trained, complementing the steps already taken to address privacy and security risks.

Telia conducts human rights impact assessments on topics and areas identified in its continuous due diligence process when additional information and understanding is needed. Assessments vary in scope and depth, depending on the topic and risk level. In 2023, the company deepened its understanding of human rights risks related to workers engaged by suppliers of field services and transport, including migrant workers who are particularly vulnerable in this context. The steps taken included a maturity assessments of suppliers' human rights standards, audits and engagement activities (see the **Responsible sourcing** chapter). Telia also deepened its understanding of how the digital world impacts vulnerable groups such as seniors, children, immigrants and SMEs through interactions related to its digital skills initiatives and impact assessments of a selection of those initiatives. In addition, impact assessments are included in the company's day-to-day work on privacy and security-related risks (more information is available in the **Privacy and security** chapter). Telia also performs risk analyses of varying depth ahead of mergers, acquisitions and divestments (more information is available in **Sustainability note S17**).

The Board and Group Executive Management are regularly informed of the outcome of due diligence through the Enterprise Risk Management process and related bi-annual risk reports (see the **Risks** section).

Grievance mechanism
Telia's Speak-Up Line, which serves as a grievance and whistleblowing mechanism, enables employees and external stakeholders to raise concerns without fear of retaliation or reprisal facilitating impartial investigation. For more information about cases reported through the Speak-Up Line, see **Sustainability note S16**.

Support to restore mobile communication in Ukraine

In the modern world, societies require connectivity to function properly. Severe connectivity disruptions have a negative impact on various human rights, for example by impairing access to health care, banking services or business transactions, all of which play a vital role in daily life. The Russian invasion of Ukraine destroyed critical network infrastructure and caused severe disruptions to energy distribution in many parts of the country. To support connectivity in the country, Telia Finland donated two generators to Ukraine in 2023, under an EU mechanism for equipment that can be reused to support the people on the ground during times of war. In 2022, Telia donated network equipment from Telia Lithuania.

Case:

Smart watches for the elderly

Telia wants to enable a better future for its customers and its high-quality connectivity and impactful digital solutions provide countless opportunities to do just that. Working closely with its customers helps the company identify opportunities for digital solutions to make a real difference – and, potentially, save lives.

One example involves Stockholm-based company Sensorem, a Telia customer that provides user-friendly smart watches for the elderly. These watches – which are essentially IoT devices that incorporate various smart solutions, such as safety alarms, GPS trackers, inactivity alarms, voice calls and medication reminders – were specially developed to be easy for people with limited digital skills to use. Telia Managed IoT Connectivity ensures that Sensorem smart watches always have a stable connection.

Children's rights

Year	Goals	2023 progress
Annual	- Continuous blocking of child sexual abuse material in own networks	- Achieved across all networks
	- Continuous detection of child sexual abuse material in own IT systems	- Achieved across all markets
	- Provide child safeguarding services to customers	- Available in four of six markets
	- Empower children through digital skills initiatives	- 70,634 children reached (more information is available in the **Digital inclusion** chapter)

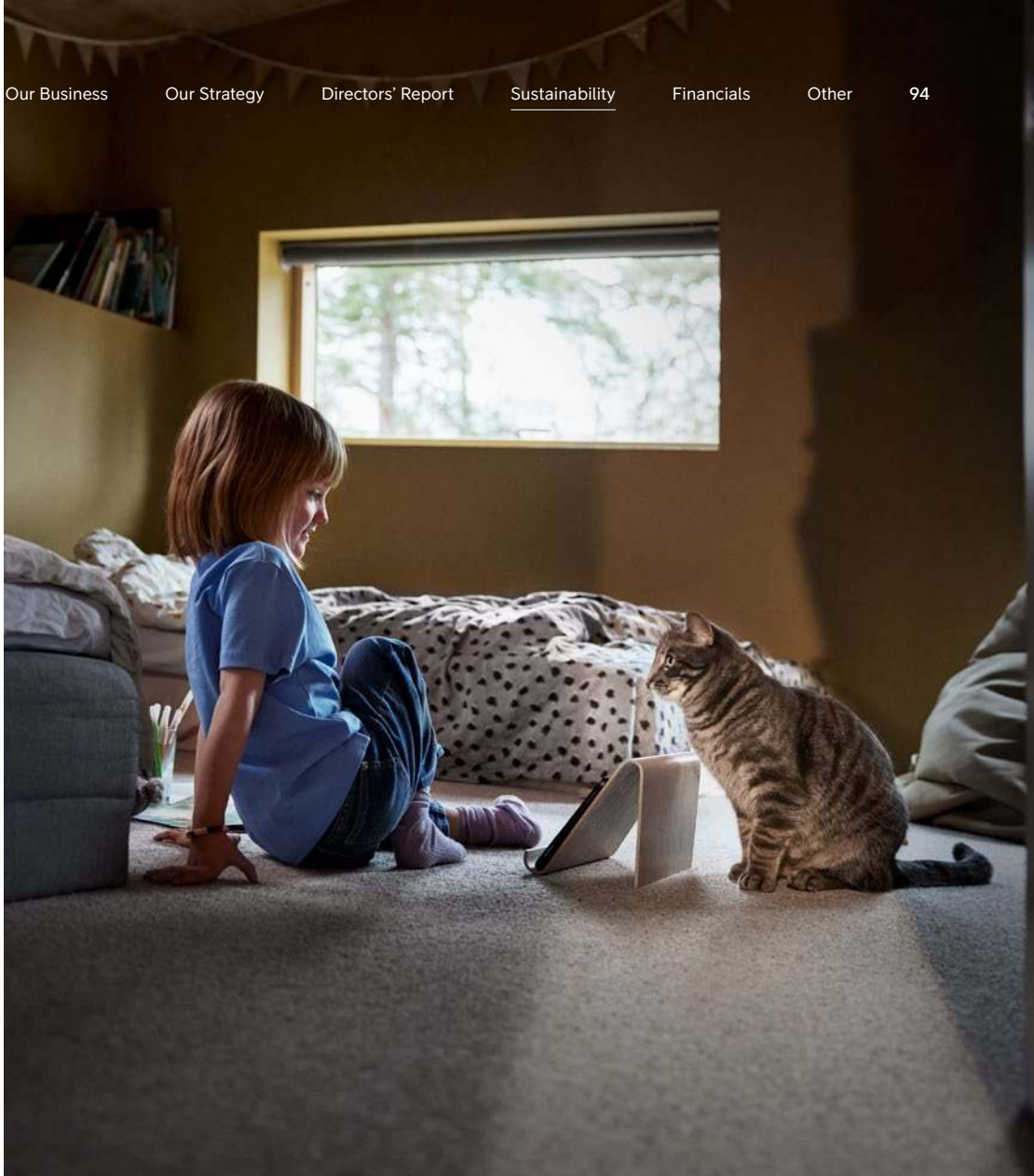
Approach

Children and young people are active users of Telia's services. The company believes that Internet access enriches children's lives and provides them with opportunities to socialize, play and learn. However, children are particularly vulnerable to online risks such as cyberbullying, online abuse and inappropriate content.

Keeping children healthy and safe online requires collaboration within and beyond the telecom industry. Close collaboration with children's rights organizations enables Telia to better understand how it impacts children – directly or indirectly. Collaborating with World Childhood Foundation and other child rights organizations has helped Telia to develop its efforts to prevent the spread of child sexual abuse material online and equip parents with support material as they try to coach their children about online safety. The GSMA Mobile Alliance against Child Sexual Abuse Content is an example of the ways in which Telia collaborates to influence legislation and exchange best practices.

Telia has adopted the UN's Children's Rights and Business Principles and aims to integrate children's rights and perspectives into its operations and offerings. The company aims to not only protect children, but also empower and listen to them.

Surveys repeatedly show that climate change and the unsustainable use of natural resources is of great concern to children. These phenomena are already having a major impact on children's safety, health and well-being, and will fundamentally impact future generations. Telia's commitment to achieving net-zero emissions in its full value chain by 2040 is a response to these threats. The company already views the ongoing ecological crisis as one of the greatest threats to human rights, including children's rights.



In 2023, Telia was ranked first in the global Technology & Telecommunications sector and second overall among 1,108 companies assessed in Global Child Forum's Children's Rights Benchmark, which aims to track progress on how businesses address children's rights. Telia scored 9.4 out of 10.

Read more about this in the **Climate and circularity** chapter.

This work is governed by the Group policy – Human rights. Requirements related to child labor in the supply chain are governed by the Supplier Code of Conduct.

Work during the year

Integrating and promoting children's rights in business
In 2022, Telia carried out a holistic children's rights impact assessment of its business, based on UNICEF's (Mo-CRIA) self-assessment framework (available on Telia's website). Overall, the assessment revealed that children's rights had been integrated into Telia's business and operations to a high degree. During 2023, the company continued to close the gaps that had been identified. Examples include incorporating children's rights more clearly in Telia's Code of Conduct, which was re-launched during the year. Children's rights aspects were also added to the compulsory Code of Conduct training and Telia's whistleblowing Speak-Up Line. Moreover, the company appointed child rights leads in all markets in which it operates.

Telia uses a tool developed in partnership with BSR and based on the UN Guiding Principles on Business and Human Rights to assess actual and potential impacts on children's rights during its product development process. During 2023 there were no relevant service launches and the tool was not used. The tool was used in 2022, however, to assess various smart watches for children, addressing, for example, privacy and safety concerns. The tool remains available for any relevant launches.

Children's rights and responsible marketing guidelines are available for all of the company's marketing teams and external partners to ensure that children's rights are protected in all of Telia's marketing and advertising activities.

In four out of six markets, Telia's family offering provides software that enables parents and guardians to set limits on children's screen time and block harmful content. The company's TV service is equipped with a PIN code functionality that enables parents to restrict access to programs or movie rental services that feature adult content.

In the majority of its markets, Telia provides material or tools that parents can use to support their children online. In some markets, the company enables its employees to engage with children in school workshops and summer camps to create awareness about topics such as cybersecurity and online behavior. As an example, Telia Lithuania's "Auge internete" (Growing up online) program has already run for almost a decade, enabling employees to serve as mentors for school children in face-to-face or online classes where they talk about online safety. An "Augu internete" impact assessment conducted in late 2023 found that direct interactions with school children on this topic are not only relevant but also growing in importance, as similar information is not included in the school curriculum and parents do not yet have enough information themselves. However, children are gaining access to smart devices and the Internet at an increasingly young age. Thus, the programme is having a positive impact on children, their parents and teachers. To further increase awareness about privacy and security, the Digital Progress Center was established by Telia Lithuania in 2023. At the center, Telia's experts share their knowledge about

various topics, such as data protection and privacy, cyber security and AI. Parents are one of the target groups and QR codes In Telia Lithuania's retail stores direct them to the center, where they are offered concrete advice on how to empower and protect their children online.

To educate and activate its employees, Telia offers training on children's rights (created in collaboration with World Childhood Foundation) and on human rights more broadly.

Fighting child sexual abuse material
Watching child sexual abuse material is a severe violation of children's rights and illegal in all of Telia's markets. Research concludes that watching such material increases the likelihood of abuse offline. The company therefore actively participates in the fight against the spread of this material online through blocking measures and cooperation with industry peers, law enforcement agencies and NGOs such as ECPAT (part of INHOPE, the international association of internet hotlines) and World Childhood Foundation. Telia blocks websites identified by law enforcement as illegal due to their hosting of child sexual abuse material. While the company supports an open Internet, this is the only area in which it has taken an active stand for voluntary blocking.

Within Telia's own IT systems, the company applies a technical solution that provides alerts if child sexual abuse material is detected in hardware used by employees, trainees or contractual workers. If such material is detected, a police report is filed and HR-related remedies are initiated in accordance with national legislation. 2023 was an exceptional year, with no detections and therefore no police reports.

Listening to children
For many years, Telia has conducted Children's Advisory Panels to give children a voice about their experiences in the online world. Topics covered include children's experiences with privacy, online gaming, healthy online life, digital learning and misinformation. The company uses the findings to inform its business decisions and shape family offerings and support material. For more information on the results of these panels, visit Telia's website.

During 2023, a study of Telia Sweden's Mobile Driving License for children and parents was performed by a researcher at Jönköping University. The Mobile Driving License is an interactive platform that aims to help parents discuss online safety with children aged 8-11 through a quiz. The study was carried out by interviewing children and parents to understand what effect the Mobile Driving License could have on the children and their parents. The interview revealed that several of the children and their parents believed they had learned new things about how to behave online. In addition, the parents felt that the Mobile Driving License had created a common basis for the family to talk about children's digital experiences. The new version of the Mobile Driving License re-launched during 2023 included several improvements requested by the children involved in the research study. For example, the scope of the test was reduced and texts were simplified to better suit the target age group. The research study is available on Telia's website.

Supporting children in need
Several studies across Telia's markets reveal an increase in the number of children that struggle with mental health issues and live in vulnerable situations, most likely exacerbated by the pandemic, the ongoing war in Ukraine and the global economic downturn. Below are some examples of how the company is supporting children in need.

Telia continues to support Bris, a Swedish children's rights organization that provides a national helpline for children and young people. The company's support has enabled more children to contact and get help from the child helpline thanks to extended opening hours and the provision of more contact channels. During 2023, SMS was added as an anonymous and free method of contacting Bris, thanks to product development by Telia. Telia's provision of services amounts to around SEK 2 million per year.

Through its Mycall sub-brand, Telia distributes a "welcome aid package" to Ukrainian refugees upon arrival in Norway, enabling them to stay in touch with their loved ones. So far, more than 40,000 packages have been distributed. In Lithuania, Telia provides Ukrainians with pre-paid call minutes in its shops and via NGOs. These initiatives also support children.

In cooperation with the Estonian Human Rights Centre, Telia has developed and launched Cybergram, a learning platform for children that encourages online safety.

Please note that Telia's work to build young people's digital skills is covered under "Making digital lives safer" in the **Digital inclusion** chapter.

Online safety for children

The online world gives children fantastic opportunities, but it also risks placing them in vulnerable situations. "Spoofy" is an online safety game that is available both as a phone app and as a desktop application, and which links to a website with additional digital skills materials for teachers and parents. It was launched in collaboration with the CGI consultancy in Estonia during 2021 and in Lithuania in 2022 to teach children in a fun and gamified way about smart, safe and friendly online behavior. During 2023, the fifth new Spoofy world was released. This new world targets older schoolkids and will also help to keep past players engaged. Spoofy is also available in the Ukrainian language, to support child refugees.

Freedom of expression and government surveillance

Year	Goals	2023 progress
Annual	- Continuous implementation of Telia's policy and the principles and implementation guidelines of the Global Network Initiative (GNI)	- Continuous implementation
	- Continuous transparency related to government requests	- Law Enforcement Disclosure Report published

Approach

As a telco, TV and media operator, Telia's networks and services provide access to information and contribute to the exchange of views in a way that supports freedom of expression and democracy. At the same time, policymakers continue to introduce new surveillance measures to fight crime, terrorism, hate speech and other threats. These measures have the potential to limit the freedom of expression and privacy of Telia's customers and reduce their trust in the company's services.

Telia is committed to respecting the freedom of expression and right to privacy of its customers while meeting legal requirements in the countries in which it operates. The company has clear policy commitments in place and its implementation processes are based on input from the Global Network Initiative (GNI), a multi-stakeholder organization that unites ICT companies, human rights and press freedom groups, academics and investors to protect and advance global freedom of expression and privacy in the ICT industry.

States define the scope of surveillance and limitations to the free flow of information based on legislation and requests from authorities. Telia abides by this legislation but challenges requests that have no or unclear legal grounds. When there is a conflict between internationally recognized human rights and local legislation, the company seeks ways to raise the issue with relevant authorities or inform consumers and other stakeholders about the issue through public communications.

This work is governed by the Group policy – Freedom of expression and government surveillance

Processes

In its work, Telia differentiates between two types of requests from governments/authorities:

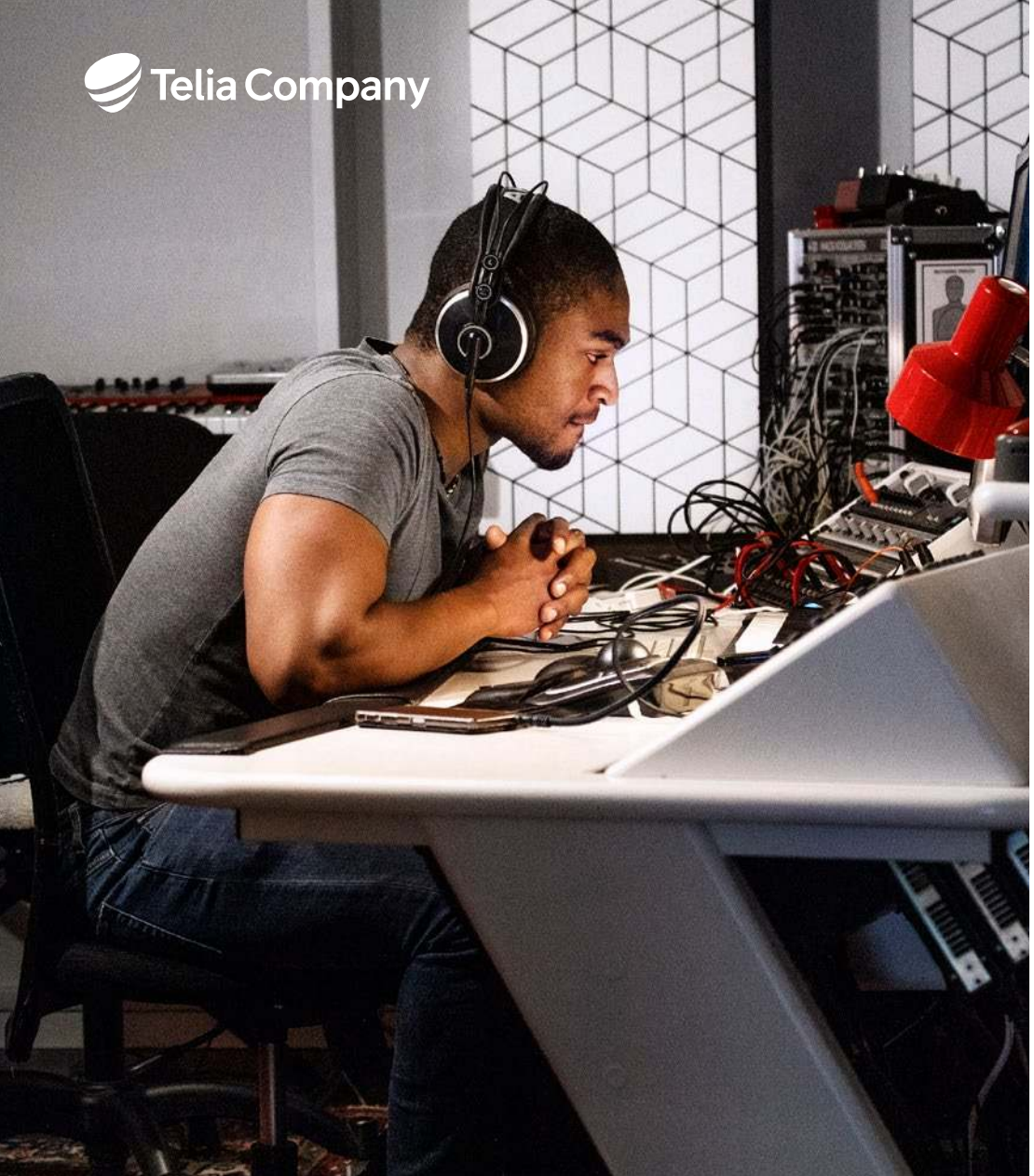
- *Conventional requests* are day-to-day requests that are typically of lower risk, such as daily secret real-time wiretapping and monitoring by the police based on court orders. Such requests are received and handled by dedicated local teams.
- *Unconventional requests* are requests that may have serious impacts on users' freedom of expression and privacy. Examples include demands to shut down Internet access, blocking of websites or requirements to retain data for surveillance when legislation is unclear.

Telia's Group policy and related instruction set out practical steps regarding assessments and escalation to be performed for unconventional requests. Such requests are to be assessed by the local company and escalated to group level for final joint decisions on how to mitigate human rights risks. While the company's process aims to identify and mitigate potential violations of individuals' rights, the actual outcome depends significantly on local legislation.

Work during the year

Unconventional requests during the year

During 2023, Telia closed 8 unconventional requests and demands across its markets. Most of the unconventional requests and demands were related to the blocking of Russian origin content due to EU sanctions imposed against Russia, leading to a cumulative total of 87 sites being blocked by Telia by the end of the year. Telia continuously encouraged governments and regulators to provide clear and timely guidance to uphold the principle that governments, and not private entities, should make decisions on limits to freedom of expression. To ensure consistency, group-level experts facilitated local assessments and escalations. Open cases from previous years were related to either legal or technological developments, and this monitoring continued. In almost all cases, Telia took measures to promote freedom of expression and privacy or to mitigate risks in some way, for example by being transparent towards its customers and the public about the requests it had received or by asking authorities to clarify their requests, and the company always followed the rule of law. Such actions are defined jointly by local companies and representatives of Telia's Group Executive Management. For information on the blocking of content of Russian origin, which was ongoing at the end of the year, please visit the company's **website**.



Promoting transparency
By being transparent about government surveillance and actions taken to limit freedom of expression, Telia contributes to the protection of user rights. Making such information more easily accessible has the potential to inform groups whose rights are at risk, including civil society groups that work to protect these rights. The company therefore publishes Law Enforcement Disclosure Reports (LEDR) that include detailed statistics on conventional requests, as well as the approximate number of unconventional requests. The reports also refer to some of the most relevant legislation. Contributions to the **GNI database on Country Legal Frameworks Resource** are one of the main ways in which Telia reports on local laws. Further information about the 2023 LEDR report and the latest statistics are available in **Sustainability note S8**.

Participation in the GNI
Telia depends on input from stakeholders and experts in this field to understand its impacts and successfully mitigate risks. Therefore, the company is an active member of the GNI, which aims to share learnings and leverage when governments act in ways that risk violating freedom of expression and privacy. Telia is a member of the GNI board and participates in various committees and task forces. More information about the work carried out during the year is available on the **GNI website**.

Independent GNI assessment of Telia's work
As a GNI member, Telia is committed to implementing GNI principles by putting concrete measures in place to promote and advance freedom of expression and the right to privacy. All GNI member companies undergo independent assessments of their implementation every three years. Results of these assessments are shared with the GNI's multi-stakeholder board, which makes a final determination of the member companies' progress in implementing the GNI principles over time.

Telia's second assessment was conducted in 2021/2022. Based on the recommendations in these assessments, the company has taken the following actions, amongst others:

- Included freedom of expression and topics related to government surveillance in its Enterprise Risk Management setup
- Set up training on human rights for all employees and provided targeted training sessions for the most relevant teams
- Initiated work to review how its due diligence efforts can cover third parties other than suppliers

Based on the assessor's report in May 2022, the GNI Board determined that Telia is making good-faith efforts to implement the GNI principles and showing improvement over time. The company's assessment report can be found at the **GNI website**.

Diversity, equity, inclusion and well-being

Year	Goals	2023 progress
On diversity, equity and inclusion		
2025	- 50/50 gender balance in the Extended Leadership Team[1]	- 41% women, 59% men (2022: 41%/59%)
2024	- Conduct a voluntary equality data survey to understand a wider set of workforce diversity aspects and needed interventions	- Planned for 2024
	- All managers trained in unconscious bias and inclusive recruitment practices	- 90% of managers trained (2022: 63%)
Annual	- Continuously decrease the raw gender pay gap[2]	- 12% (2022: 12%)
	- Increase diversity in Telia and in the tech sector through continuous partnerships focusing on digital and tech re- and up-skilling	- Regular interactions with members of diverse communities to showcase job opportunities and offer internships within tech
	- Ensure that diversity and inclusion aspects permeate Telia's TV and Media business, on and off-air	- Awareness-raising seminars and workshops on neurodiversity and racism reached approximately 20% of TV and Media employees
On health and well-being		
2023	- 78% of employees state that they are able to successfully balance work and personal life[3]	- 79% (2022: 78%)

1) The Extended Leadership Team represents the company's ~150 top leaders (members of Group Executive Management, their direct reports and certain additional local/functional management team members when those have roles of particular strategic importance)
2) The raw gender pay gap (also known as unadjusted pay gap) is defined as the difference between average earnings of men and women relative to average earnings of men
3) Measured through Telia's internal employee engagement survey

Sustainability-related aspects of Telia's people and culture strategy relate to securing the human and labor rights of the company's greatest asset – its people. As Telia operates in a context characterized by strict labor laws and a high degree of unionization, many aspects are secured through legal compliance measures embedded in the company's processes and through collective bargaining agreements. Read more in the **People** section.

In Telia's double materiality analysis, two human rights areas within its own workforce have been identified as important to develop:

- Diversity, equity and inclusion – to secure the right to fairness and non-discrimination
- Health and well-being – to secure the right to health

01. DIVERSITY, EQUITY AND INCLUSION

Approach

Telia is committed to building a diverse workforce, and an inclusive culture, where every employee, no matter who they are or what their circumstances, feels valued, respected and has a strong sense of belonging. This ambition underpins the company's strategy and strengthens Telia's commitment to innovation and business success.

The company complies with applicable local laws while putting in place active measures to remove barriers to ensure fairness for all, tolerating no discrimination on account of anyone's gender, gender identity or expression, ethnicity, religion, age, disability, sexual orientation, social background and/or other characteristics protected by applicable law.

Telia's approach is built on three main elements:

- **Employee and leadership engagement:** Increasing awareness and engagement through training and events for managers and employees, as well as engagement with internal diversity ambassadors
- **Improved awareness and processes:** Eliminating bias and discrimination by integrating diverse, inclusive and equal opportunity perspectives into company culture, including processes such as recruitment and succession planning
- **Initiatives and partnerships:** Actively engaging and contributing to diversity and inclusion communities across Telia's markets

The Group Diversity and Inclusion Lead coordinates a network across Telia's geographic footprint that is responsible for local implementation and progress is reported to GEM to ensure continuous realignment and well-monitored progress.

This work is governed by the Group Policy – People

Work during the year

Diversity
In 2023, Telia continued to monitor diversity dimensions and measure various parameters to understand the barriers that need to be addressed to become an employer of choice to represent the customer base the company serves, including minority representations that go beyond gender. Telia continued to strengthen existing partnerships and explore new ones to address additional dimensions of diversity. Gender and age data is tracked to understand the employee population and design active measures. To a limited extent, Telia works with a sample of employees with foreign background data to assess its workforce diversity in relation to that of society.

Equity
As part of Telia's efforts to refine its equal pay framework, with the aim of achieving zero pay inequality, a pay gap and gender parity analysis is carried out once a year in all markets. The 2023 analysis revealed a 12% raw gender pay gap. Differences in the raw gender pay gap can be attributed to gender segregation of professions (for example, there are more men in technology and more women in support functions) and an imbalance in vertical career development between men and women employees. To further reduce the pay gap, Telia has strengthened its initiatives to achieve gender equality in leadership and ensure correction of any unexplainable pay inequalities for equal roles.

To support immigrants and refugees on their journey to integrate and find employment, Telia broadened the scope of the internship program with "Jobbsprånget" to offer foreign-born interns the opportunity to work with managers in any of the 6 countries where Telia has a presence. Consequently, in 2023 the company enabled 34 unemployed immigrants and refugees to enter the job market. In addition, Telia participated in non-profit events to inform and inspire immigrants to overcome barriers and enter the job market.

Inclusion
During 2023, to nurture a culture of inclusion and belonging, Telia introduced Employee Resource Groups (ERGs) to address topics such as neurodiversity, faith and culture of minorities, ageism, and inclusion of people with disabilities and diverse identities. By year-end the community had over 3,100 members.

While Telia prepares for a company-wide voluntary survey in 2024 to gather employees' diversity and perception of inclusion, Telia Lithuania conducted a survey to gain insight into awareness on the topic of disabilities. Telia also promoted inclusion of people with disabilities by enhancing awareness through various trainings on functional variations and neurodiversity.

To ensure that managers accelerate Telia's diversity and inclusion ambition, all managers undergo a mandatory leadership training that covers diversity and inclusion modules, addressing inclusive recruitment practices and unconscious bias. This forms part of Telia's Leadership Framework, which underpins the company's culture.

Continuous improvements of HR processes
In 2023, Telia participated in a tech-industry-wide survey to detect gender-based discrimination patterns in HR processes for employees in Sweden. Telia's results were 16 points above the industry mean. The survey enabled Telia to identify key human resources processes such as recruitment, succession planning, performance and rewards, and to reevaluate them in the coming years.

Events and engagements
Through various internal and external initiatives, Telia discusses challenges and invites a multitude of voices to share their experiences and propose ways of reaching the end goal of increased diversity at Telia and in the tech sector. During the year, the company reached more than 160,000 people (internal and external) through events and roundtables it hosted, sponsored or collaborated on. Topics included gender equality, women in leadership, religion and culture, ethnic diversity, ageism, neurodiversity, disability, LGBTQIA+ rights and the importance of allyship.

Telia collaborated with various industry peers while hosting the Global Virtual Pride 2023 and Baltic Pride conference. The company also participated in the Diversify Nordics Summit 2023 and its Challenger Fund awarded NOK 1 million to the cause of challenging prejudice against youth. Please note that Telia's digital inclusion work targeting customers and other external stakeholders is covered under the **Digital inclusion** chapter.

Training

- By the end of 2023, 90% of managers had been trained in unconscious bias and in inclusive recruitment practices
- All Telia recruitment specialists are trained in inclusive recruitment practices to secure a diverse pipeline of talent for the company

External recognition in 2023

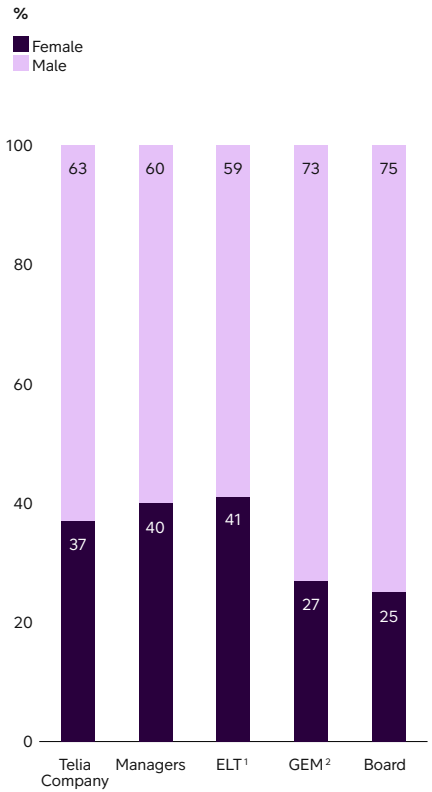
- Telia Company named EMEA enterprise winner of the Gavriella Schuster IAMCP D&I Partner of the Year
- TV4 named most equal pay employer for journalists in Sweden by Journalisten

Discrimination and harassment

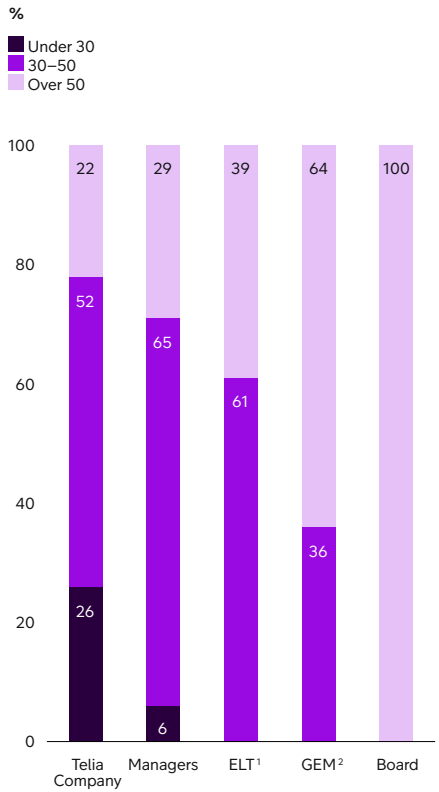
Telia works to counter discrimination and has processes in place to handle breaches. During the year, around 28 discrimination and/or harassment-related reports were filed. By year end, 6 of these cases were still under investigation and 22 were successfully closed, of which 1 resulted in a written warning (filed under four different reports). Telia actively works towards building awareness and prevention of harassment and discrimination, for which the company launched an annual training protocol in 2023.

Diversity statistics

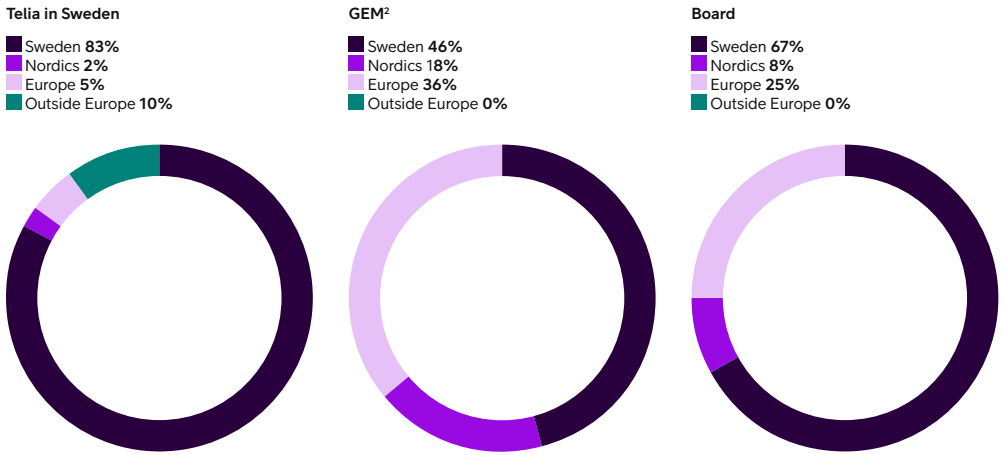
Gender



Age



Region of birth



For more information on how we determine the region of birth, see **Sustainability note S9**.

Respectful treatment

88%

of employees feel respected

Source: Telia's employee survey, Nov 2023

Employer attractiveness

133 points

for Telia Company, 4 points above industry mean

Source: Study by Nyckeltalsinstitutet on data provided for employees in Sweden

1) ELT - Extended Leadership Team (~150 individuals). 2) GEM - Group Executive Management.

Statistics are based on headcount data as of December 31, 2023

Diversity, equity and inclusion in TV and Media
TV Media is composed of TV4 and MTV Finland. TV4 conducted several workshops on subjects such as neurodiversity and racism, in order to enhance inclusive behaviour and a sense of belonging for such minorities. Approximately 20% of employees were reached by these efforts. TV4 also launched a new career site that enables anonymity in the recruitment process. In 2023, MTV Finland enhanced diversity in its on-air programs and productions – for example, when choosing performers and participants – and provided a platform for societal discussions by hosting the annual SuomiAreena event.

02. HEALTH AND WELL-BEING

Approach

Health and well-being form the basis for a great employee experience. Telia strives to ensure its employees are healthy and can perform at their best in their everyday work. A healthy workplace, good work-life balance and flexible ways of working help to achieve this aim.

This work is governed by the Group policy – People. Health and safety requirements for suppliers are outlined in the Supplier Code of Conduct.

Most significant health risks
The company's employees generally work in offices and retail environments where health risks relate mainly to mental well-being and ergonomics. Telia's biggest challenges relate to ensuring employees have a good work-life balance and sufficient recovery between periods of intense work.

Significant health and safety risks close to Telia's core operations include working at heights or performing electrical work related to network maintenance and construction, which is generally carried out by contractors. To mitigate these risks, suppliers are required to comply with the Supplier Code of Conduct, which includes health and safety requirements, and to report any relevant incidents via Telia's whistleblowing tool. The company also carries out on-site audits to verify health and safety compliance. More information is available in the **Responsible sourcing** chapter.

Health and well-being model
Telia's internal health and well-being model is based on the following key elements:

- A continuous improvement approach to occupational health and safety through the use of the ISO 45001 management system standard
- Preventive actions such as risk assessments and employee surveys
- Health and well-being are included in regular performance check-ins between managers and employees
- Health and well-being training is available for managers

Work during the year

Working better together
In 2023, Telia started to implement the "Working better together" model for hybrid working. The model helps employees choose their working environment with the intention of ensuring effective working, regardless of the location.

Results from the annual employee engagement survey showed that 58% of employees primarily worked from the office, 36% primarily from home and 6% from another location.

Measuring health and well-being
Overall health and well-being are measured as part of the employee engagement survey. The 2023 results indicate an increase of one percentage point in overall personal work-life balance, in comparison to 2022. 79% of respondents were able to successfully achieve a good personal work-life balance and 72% identified their well-being as "good" overall. Telia's main challenges regarding health and well-being are increased stress and workload, as well as respiratory infections as a post-pandemic effect. The company continuously monitors these aspects through the sickness absence rate (SAR). Additional SAR information and statistics are available in **Sustainability note S10**.

ISO 45001 certification
Telia views the ISO 45001 health and well-being management system standard as a valuable tool to ensure that assessments are conducted systematically and that risks are followed up. During the year, local companies in Finland, Norway, Estonia and Lithuania maintained their ISO 45001 certifications. At year-end, 78% of all employees were covered by a health and safety management system based on the ISO 45001 standard, which had either been audited internally or audited and certified by an external party. In addition, all of Telia's markets are covered by health and safety management systems. Additional information about management systems is available in **Sustainability note S18**.

Incidents
During the year, no major injuries or fatalities were registered among Telia employees. Contractors reported one fatality and 23 cases regarding injuries that resulted in sick leave.

For more data about health and well-being, see **Sustainability note S10**.

Telia's culture journey

Telia has embarked on a journey to create a culture based on a strong set of common values, as it believes this is one of the keys to future success. During the spring, the company launched refreshed values that were co-created by 400 culture champions from across its footprint. The first leg of the journey was to get everyone onboard with the new and refreshed culture. During 2023, over 8,000 employees participated in Telia's culture workshops. A roadmap for the next leg of Telia's culture journey will be based on the 2023 People Pulse and Culture Survey.

Responsible sourcing

Year	Goals	2023 progress
Annual	- All new and renewed supplier contracts screened according to the due diligence process	- Around 89% of total spend was covered
	- Supplier assessments according to risk-based Compliance Verification Program	- 100% of activities completed

Please refer to **Sustainability note S19** for information about the scope of Telia's goals within this area.

Approach

Telia relies on a global supply chain to deliver products and services to its customers. The company's sourcing processes consider various aspects – such as price, quality, sustainability standards and ability to innovate – to assess the full value of deliveries before selecting a supplier.

A dedicated due diligence process is in place to evaluate suppliers' sustainability performance. The sourcing function is responsible for supplier sustainability risk assessments, including due diligence, audits and other supplier engagement activities. Local or group-level subject matter experts also lend support in auditing and dialogue meetings.

Supplier requirements are set out in the Supplier Code of Conduct

Key elements

Supplier requirements
Telia's suppliers are required to align and comply with its Supplier Code of Conduct. In addition, suppliers handling personal or sensitive data must comply with the security and privacy requirements stated in Telia's Supplier Security Directive. Suppliers are expected to apply these requirements throughout their own supply chains. Both the Supplier Code of Conduct and the Supplier Security Directive are currently being revised, and updated versions will be released in 2024.

Supplier due diligence
The objective of the due diligence process is to ensure that Telia only engages with suppliers that meet its standards and require the same from their own suppliers. The process has a risk-based approach that allows Telia to focus on those suppliers that could potentially expose individuals, the environment and the company to elevated risks. The due diligence process consists of the following steps:

1. An up-front risk assessment is carried out to identify high-risk triggers such as companies in high-risk countries from an anti-bribery and corruption perspective, and access to Telia's network or privacy data.

2. If risks are deemed high in the up-front risk assessment, the supplier undergoes an in-depth due diligence assessment consisting of a self-assessment against the Supplier Code of Conduct and other relevant requirements as well as screening covering, for example, ultimate beneficial ownership and sanctions. The in-depth due diligence assessment categorizes supplier risks as high, medium or low. Potential high risks and serious violations identified in the in-depth due diligence assessment could lead to disqualification of the supplier or trigger a supplier audit.

3. High-risk suppliers identified during the in-depth due diligence assessment and suppliers with critical non-conformities identified through audits are reported to the Chief Procurement Officer or sourcing management team depending on criticality for decision-making on supplier selection and monitoring.

Supplier Compliance Verification Program
Telia verifies compliance with the Supplier Code of Conduct through a combination of dialog and internal and/or external assessment mechanisms, including but not limited to self-assessments, surveys, site visits and audits to suppliers and sub-contractors. These activities are part of Telia's Supplier Compliance Verification Program, which is built on a risk-based approach.

The program has been designed with a sprint approach that takes the previous large, complex audit process and breaks it down into smaller, more manageable assessment mechanisms:

- Information gathering – initial evaluation benchmark of suppliers
- Evidence of compliance – assessments with supporting documentation
- Off-site (remote) audits
- On-site audits

Due diligence coverage

- Anti-bribery and corruption
- Conflict minerals
- Environment
- Human rights
- Labor rights
- Management and ownership structure
- Occupational health and safety
- Privacy
- Security
- Trade sanctions

Work to counter supply disruptions

The interconnected nature of global supply chains exposes businesses to potential disruptions. This vulnerability was emphasized in 2020 when Telia's sector faced a significant shortage of semiconductors. These shortages posed a risk to the company's 5G deployment and the provision of essential devices for customers. However, by the end of 2022, Telia had successfully mitigated these risks through proactive and intensive engagement with its suppliers. This experience highlighted the critical importance of fostering resilience within the supply chain.

Moving forward, while it acknowledges the existence of various factors such as climate change, pandemics, and geopolitical shifts, Telia believes that its robust supply chain management strategies significantly minimize potential impacts. The company's proactive measures ensure that its supply chain remains resilient and efficient in the face of these challenges.

With the semiconductor shortage now resolved, Telia is focused on enhancing its supply chain resilience by implementing sustainability requirements for its suppliers, diversifying its supplier base, and incorporating assessments of supplier business continuity capabilities into its supplier selection process.

Telia conducts regular cross-company supply risk management processes and prioritizes the improvement of internal planning processes. Over the coming years, Telia will continue to refine these strategies to bolster resilience and prevent supply disruptions, thereby ensuring customer satisfaction and the smooth operation of its business.

These activities help Telia to assess whether suppliers comply with its requirements and, when necessary, implement corrective action plans at an early stage. Decisions about which suppliers to audit are made under a prioritization process that includes Telia's subject matter experts and its Speak-Up Line as sources of input from internal/external parties. Information on selected engagement activities is presented on the next page.

As part of its Compliance Verification Program, and to expand the reach, impact and leverage of its supplier audits, Telia collaborates with other telecom operators through the Joint Alliance for CSR (JAC). This approach also helps to assess sustainability practices in the lower tiers of the supply chain. Members of the JAC share resources and best practices to coordinate supplier audits using common requirements in five areas: labor, health and safety, environment, ethics and management systems.

Supplier development and engagement
As part of its supplier management process, Telia maintains a continuous dialogue with suppliers to increase their awareness and understanding of its expectations. All non-conformities are handled through corrective action plans and follow-up activities to evaluate their effectiveness. Results are shared with group sourcing management and business stakeholders and risks and challenges that require a joint approach are raised at supplier executive meetings, where top management from both sides engage to address topical issues and agree on action plans. If the companies do not reach an agreement and a supplier fails to meet an agreed corrective action plan, termination of the supplier is considered.

Work during the year

Review of process
The due diligence process is under review with the aim of introducing some automation and expanding coverage to a broader scope of third parties, such as suppliers, distributors and customers. This will improve Telia's risk-based approach to third-party management, with a focus on high-risk and material impact areas, aligned with legislation such as the Corporate Sustainability Reporting Directive, the Corporate Sustainability Due Diligence Directive and the NIS 2 Directive.

Due diligence and audit data
- Approximately 1,500 suppliers went through the up-front risk assessment, covering around 89% of total supplier spend. This resulted in 571 (38%) in-depth due diligence assessments
- 1% of suppliers that underwent the in-depth due diligence assessment were associated with high risks and therefore subject to additional procedures (as described on the previous page)
- 153 assessments were carried out on 60 suppliers as part of the Compliance Verification Program (including surveys, questionnaires, site visits and audits) covering the main risk areas such as human rights (including work conditions), environment (including CO_2 validation), privacy, anti-bribery and corruption and security

2023 supplier engagement focus

During 2023, as a result of input from due diligence, the Supplier Compliance Verification Program, audit reports, media reports, and observations from stakeholders or suppliers, Telia has engaged on a deeper level with suppliers in key areas.

Human rights in field services

Supplier labor and human rights are important issues for Telia. To assess and ensure the well-being of key field service suppliers, Telia took a proactive approach by assessing the maturity levels of labor and human rights through a survey evaluation. To address the gaps identified during the survey evaluation, Telia hosted several meetings with tier 1 suppliers to share sustainability expectations and raise awareness of the Speak-Up Line, as outlined in the Supplier Code of Conduct. This initiative resulted in the closure of 85% of the corrective action plans issued after the survey, while the remaining 15% triggered on-site audits that will be conducted in 2024.

Transport and logistics compliance

In September 2023, as part of its Supplier Compliance Verification Program, Telia launched a Supplier Code of Conduct alignment questionnaire with a target group of 20 suppliers that provide essential transport, warehouse management, construction and logistics services. The questionnaire addressed key risk areas, including human and labor rights, environment, occupational health and safety, and general compliance. This initiative helped the company to assess how suppliers ensure compliance with its requirements, as stated in Telia's Supplier Code of Conduct. It will also allow Telia to benchmark and test compliance with new, relevant legislation as part of its Supplier Code of Conduct update process.

Climate action

Climate is an integrated part of Telia's supplier evaluations and a key selection criterion when awarding new business. By the end of the year, 52% of supply chain emissions were covered by science-based targets, with an additional 11% in the pipeline awaiting external approval of targets. This year a survey was conducted to assess supplier engagement and ensure compliance with climate action measures as per the requirements outlined in the Supplier Code of Conduct.

Anti-bribery and corruption

Year	Goals	2023 progress
Annual	- Annual Anti-bribery and corruption (ABC) risk assessments performed in all markets	- Achieved
	- Maturity assessments of the ABC program performed in all markets along with plans to close maturity gaps	- Achieved

Approach

Telia conducts business with zero tolerance for corruption. Corruption risk is treated as one of the company's Principal Risk areas and an Anti-bribery and corruption (ABC) program is in place to mitigate this risk. The program provides a systematic means of effectively detecting and preventing corruption and violations of anti-corruption laws. It is implemented and continuously developed using a risk-based approach, via:

- Regular ABC risk assessments to identify and manage key risks
- Annual maturity assessments to follow up on progress and identify areas for improvement
- Training to ensure awareness of ABC risks
- Supply chain risk management by screening, monitoring and auditing suppliers

Telia's exposure to corruption risks decreased significantly in the past few years due to the divestments of its global Telia Carrier operations and all subsidiaries in Eurasia. Today, most of the markets in which the company operates are at the lower end of the risk spectrum, according to the Transparency International Corruption Perceptions Index (see illustration). However, Telia has a global supply chain, and its suppliers operate in a broader risk spectrum. Telia manages this risk through its Supplier Code of Conduct, due diligence process and the auditing of high-risk suppliers. More information is available in the **Responsible sourcing** chapter.

The ABC program is managed by the Group Governance, Risk and Compliance unit, which is responsible for the program design and coordination of activities. Local Ethics and Compliance Officers are responsible for local implementation.

The Special Investigations Office (SIO), which is part of the Security Office, handles special investigations related to potential corruption, fraud and other significant related risks, such as retaliation. Read more about cases recorded during the year in **Sustainability note S16**.

This work is governed by the Group policy – Anti-bribery and corruption

Work during the year

ABC program maturity

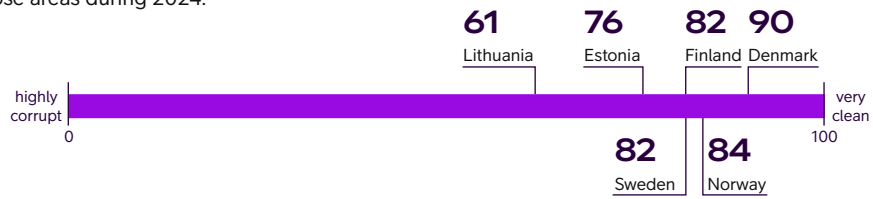
In 2019, Telia introduced a maturity assessment methodology to enable a holistic and credible evaluation and to follow-up on key risks. Since then, the methodology has been used to assess the maturity of the ABC program throughout the group and in all markets. The results for 2023 indicate good maturity and minor improvements were identified in internal control and third-party management.

ABC risk assessments

ABC risk assessments were performed at the group level and in all markets during the year. The 2023 risk assessment results indicate that, overall, the program is functioning well. However, due to the geopolitical situation, the likelihood of overall ABC risk is low to medium, with potential high financial and reputational impact. Furthermore, there is high awareness and attention on ABC on both the country and group level. Some areas for improvement were identified through the risk assessments and plans are being developed to address those areas during 2024.

Training

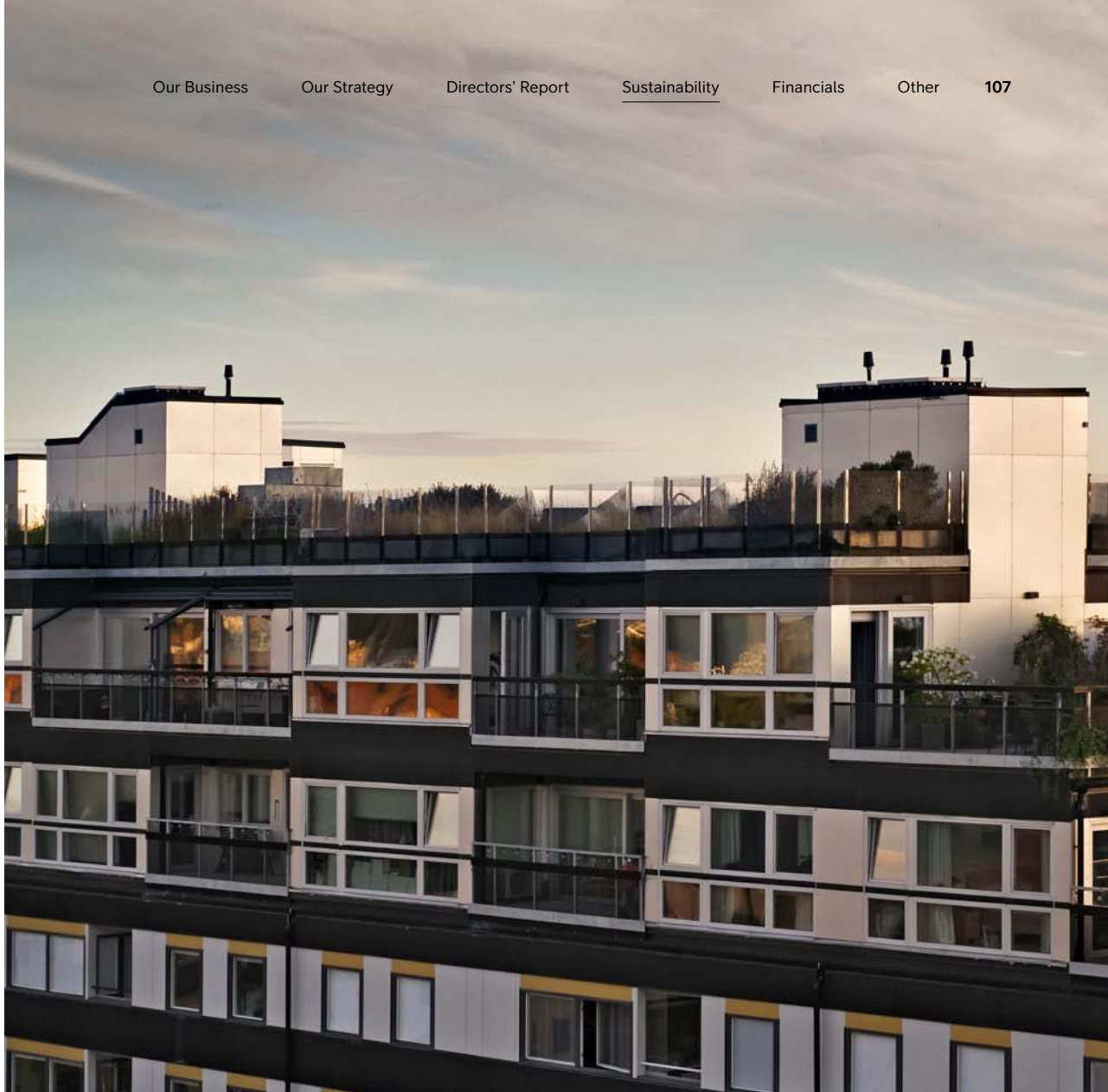
During onboarding, all employees are required to complete an e-learning on the Code of Conduct, which includes a specific section on anti-corruption. During 2023, as a new e-learning was being produced, it was replaced by a requirement to sign the Code of Conduct. The new e-learning will be launched in 2024 and it will be mandatory for all employees to complete it every three years. In addition, targeted face-to-face training is performed annually for selected groups. In 2023, Telia's executive assistants and all management teams in the Common Products and Services organization received face-to-face training on ABC. In addition, all group compliance officers are TRACE certified in the anti-bribery and corruption area, and the certification is offered to all local compliance officers.

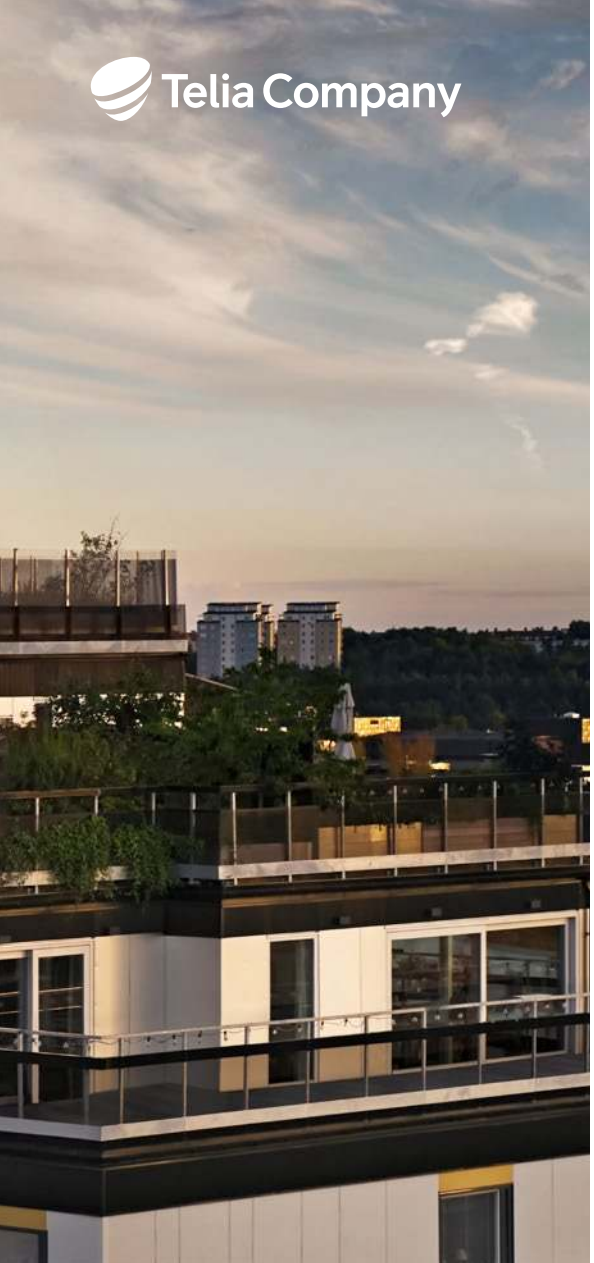


Source: Transparency International 2023

Sustainability notes

S1	General information	108
S2	Sustainability governance	108
S3	Stakeholder engagement and materiality determination	108
S4	Climate and circularity	113
S5	Digital inclusion	127
S6	Privacy and security	127
S7	Human rights	128
S8	Freedom of expression and surveillance privacy	128
S9	Diversity, Equity and Inclusion (DEI)	130
S10	Health and well-being	130
S11	Legal compliance	130
S12	Child, forced and compulsory labor	130
S13	Responsible tax practices	131
S14	Electromagnetic fields (EMF)	131
S15	Sponsorships, donations and disaster relief	131
S16	Whistleblowing cases	132
S17	Mergers and acquisitions	132
S18	Management systems	133
S19	Responsible sourcing	133
Telia's sustainability index		134





S1 General information

The Sustainability section and Sustainability notes within the Board of Directors' Report constitute Telia Company's statutory sustainability report according to the requirements in the Swedish Annual Accounts Act. They also serve as the Global Compact Communication on Progress (CoP) for Telia and all its subsidiaries. In addition, sustainability content is integrated into other sections of this report – for example, in the description of Telia's business strategy, in the analysis of underlying trends and in the Corporate Governance section.

The report has been prepared according to Telia's Sustainability Reporting Framework, which, to facilitate comparability, is based on frameworks such as the Global Reporting Initiative, the Integrated Reporting Framework, the Global Compact Communication on Progress, the EU Non-Financial Reporting Directive, the UN Guiding Principles Reporting Framework and the Task Force on Climate-related Financial Disclosures (TCFD). **Telia's Sustainability Reporting Framework** contains reporting principles, content guidance, detailed information on the basis for the preparation of information and definitions. It is available at **www.teliacompany.com/sustainability/reporting**. To facilitate reading and comparability, please refer to the Sustainability Index on pages 134-135.

Please note:

- This sustainability report shall not be considered prepared strictly in accordance with any of the above listed regional or international frameworks
- The scope of information provided covers Telia's operations in Denmark, Estonia, Finland, Lithuania, Norway and Sweden. In addition, Telia's associated company LMT in Latvia is included in Telia's environmental reporting to align with the Greenhouse Gas Protocol accounting standard
- Material omissions or limited scope of information are explained in the respective note

Deloitte has been engaged to provide limited assurance of this sustainability report, see the **Auditors' Limited Assurance Report** in the Sustainability section for more information. All disclosures that constitute the sustainability report are covered by the limited assurance engagement. Comments and feedback help Telia develop its work and reporting; you are welcome to contact Group Sustainability at **sustainability-group@teliacompany.com**.

S2 Sustainability governance

For more information, see **Sustainability Governance** in the Sustainability section. Additional governance information, including information about the company's overall risk management process, is available in the **Corporate governance** and **Risks** sections.

The Code of Conduct and other governing documents can be found on **Telia's website**. Telia adheres to the international frameworks listed in the **Statement of Materiality and Significant Audiences**.

S3 Materiality determination and stakeholder engagement

Telia has conducted materiality assessments for many years, based on internal knowledge and various external sources, including engagement with the company's most important stakeholders. In 2023, Telia conducted its first double materiality assessment built on key aspects of the EFRAG draft guideline to determine both how the company is impacting society and the environment, and how society and the environment are impacting the company. The assessment was developed from an inherent perspective, meaning that, for each topic, the impacts, risks and opportunities were assessed based on likelihood from an industry and geographical point of view, but without considering Telia's current mitigation activities and controls. Telia assessed impacts, risks and opportunities from a 1- to 3-year time perspective (2024-2026), which covers the company's upcoming strategy period. For climate, a longer time span was considered up to 2030.

Information on the outcome is presented in the **How Telia prioritizes** and **Trends affecting Telia's work in 2023** sections, with additional detailed information in each impact area chapter and an overview of 2023 materiality findings on pages 109-111.

Overview of 2023 materiality findings

Impact area	Impact Materiality (Impact on society and environment)	Financial Materiality (Impact on Telia)	Main impacts, risks and opportunities	Location in the value chain	Trends in the year	Stakeholder groups
Climate	●●●●	●●●○	**I(-)**: GHG emissions emitted from Telia's value chain, in particular from the supply chain **I(+)**: Network, connectivity and IoT solutions enable customers and society to decarbonize **R**: Failure to meet stakeholder expectations on low-carbon, energy-efficient and circular products and services **R**: Risk that Telia does not prepare for extreme weather events, such as storms, heavy rain, floodings and heatwaves **O**: Opportunity to scale IoT solutions that decarbonize customers and society	• Upstream • Own operations • Downstream	• Upcoming EU regulations on environmental claims and the energy efficiency of certain products • A general increase in expectations from consumers and business customers, including demand for data to prove performance and benefits • Increasing demands for products and services that enable customers to reduce emissions and energy consumption • Increasing expectations from investors on net-zero targets and information about how companies plan to transition into a low-carbon economy • Increasing likelihood of extreme weather events, due to the disconnect between the pace needed for climate action and actual emission reductions (globally and in Telia's markets	Business customers Consumers Investors Policymakers Suppliers
Circularity	●●●●	●●●○	**I(-)**: Resource depletion of the materials used in product portfolio, network equipment, network construction and maintenance, and packaging **I(+)**: Less resource depletion through Device as a Service and other closed loop device models **R**: Risk that the company's resources are used inefficiently and that the company's products could have a short life span or are difficult to repair, upgrade, or recycle **O**: Opportunity to increase leasing and rental models of Telia's products	• Upstream • Own operations • Downstream	• Upcoming EU regulations on eco-design, environmental claims and circularity of certain products • A general increase in expectations from business customers, including demand for data	Business customers Consumers Investors Policymakers Suppliers
Privacy	●●●●	●●●○	**I(-)**: Cyberattacks, technical and human errors increase consumer data breaches, which could potentially harm the affected stakeholder **I(+)**: Embedded measures to protect Telia's systems and consumer data **R**: Failure to meet customer's privacy requirements and expectations may lead to an unfavorable perception of how Telia manages these matters. Failure to comply with the law could lead to financial penalties	• Own operations • Downstream	• Increased risk of cyberattacks due to Russia's invasion of Ukraine • Upcoming EU AI Act shapes expectations on corporate work related to AI ethics	Business customers Consumers Employees Investors Policymakers

Low ● Medium ●● High ●●● Very high ●●●● **I(-):** Negative impact **I(+):** Positive impact **R:** Risk **O:** Opportunity

Impact area	Impact Materiality (Impact on society and environment)	Financial Materiality (Impact on Telia)	Main impacts, risks and opportunities	Location in the value chain	Trends in the year	Stakeholder groups
Security	●●●○	●●●●	**I(-)**: In case of service disruption, customers and society may be impacted at different levels through the loss of communication services (for example, in the health industry) **R**: Risk that cyber events originating from an external threat disrupt Telia's services or lead to data breaches	• Own operations • Downstream	• Increased requirements on security from B2B customers and through upcoming EU regulation, as well as the expected admission of Sweden to NATO • Increased terror threat level in Sweden	Business customers Consumers Employees Investors Policymakers
Digital inclusion	●●●○	●●●○	**I(-)**: Disparity between the service quality in urban and rural areas may result in uneven digital inclusion and a negative perception of digitalization **I(+)**: Access to reliable connectivity for millions of customers and the development of digital inclusion skills to integrate those that are at risk of being digitally excluded **R**: Risk of disparity in service quality and unaffordability of services could lead to customer dissatisfaction **O**: Digital inclusion projects enhancing digital skills ensure higher customer activity online and lower the number of calls to customer care centers	• Own operations • Downstream	• Continued digitalization of society, including vital services, makes high-quality connectivity and relevant digital skills increasingly important • High inflation and the economic downturn raise affordability concerns, which may impact access to services for economically vulnerable groups	Consumers Investors Policymakers
Human rights	Embedded in other impact areas	Embedded in other impact areas	Our services and ways of working impact the rights and well-being of approximately 19,000 employees, millions of customers and thousands of workers in Telia's supply chain. Telia's services also enable the realization of human rights. Violations of human rights in Telia's value chain impact the trust in Telia and Telia's ability to retain and attract employees, customers, and capital. Impacts, risks and opportunities that relate to human rights aspects are covered in the other impact-area-specific rows of this table	• Upstream • Own operations • Downstream	• Increased attention to human rights through upcoming legislation (EU Corporate Sustainability Due Diligence Directive and local versions) • Additional proof points of how digitalization can increase access to societal services, such as health care, and provide safer workplaces when dangerous tasks are automized. In parallel, digitalization is restructuring the labor market with increasing need for up- and re-skilling of individuals • Climate change increasingly impacts human rights negatively	Business customers Consumers Employees Investors Policymakers Society Suppliers
Children's rights	●●●●	●○○○	**I(-)**: As technology evolves and children get more access to it, they are subject to grooming, bullying or exposed to violent content online. This content could be made available via Telia's networks **I(+)**: Active measures internally and through partnerships to block and fight child sexual abuse material (CSAM) **R**: Failure to apply sufficient technical solutions to block CSAM in own networks	• Own operations • Downstream	• Continuous reports on the vulnerability of children in the online world, including spread of CSAM, cyberbullying, misinformation and hate speech • Development of upcoming legislation will regulate mandatory requirements on removal and blocking of CSAM	Consumers (including children) Investors Policymakers

Low ● Medium ●● High ●●● Very high ●●●● **I(-):** Negative impact **I(+):** Positive impact **R:** Risk **O:** Opportunity

Impact area	Impact Materiality (Impact on society and environment)	Financial Materiality (Impact on Telia)	Main impacts, risks and opportunities	Location in the value chain	Trends in the year	Stakeholder groups
Freedom of expression and government surveillance	●●●●	●●○○	**I(-)**: Blocking of content limits the freedom of expression of users **I(+)**: As a provider of the infrastructure for the internet and free media, Telia enables the right to freedom of expression for customers **R**: Governments mandate limitations to freedom of expression, but this may affect Telia's reputation and consumers' trust in the company	• Downstream	• Unprecedented EU sanctions to limit the spread of disinformation from Russian TV channels and related sites • The EU adopted a regulation to address the dissemination of terrorist content online and proposed a regulation to lay down rules to prevent and combat child sexual abuse (see **Children's rights**)	Consumers (including children) Investors Policymakers
Diversity, equity and inclusion	●●●○	●●●○	**I(+)**: Training on inclusive recruitment practices as well as improvement of human resource processes to enable a more diverse workforce **R**: Lack of diversity could compromise Telia's ability to innovate (new products, services, ways of working, business models) and serve a diverse customer base **R**: Increased turnover due to unequal pay	• Own operations	• Focus on disclosure of pay gap and salary ranges in job posts through the upcoming EU Pay Transparency Act	Employees Investors Policymakers
Health and well-being	●●●○	●●●○	**I(-)**: Unmanageably high employee workload could lead to burnout **I(+)**: Measures such as flexible hours and work from home to facilitate a better work-life balance **R**: Risk of engaging in unfair labor practices, such as excessive working hours **R**: Failure to ensure a safe and healthy working environment could lead to employee accidents and illnesses	• Own operations	• Hybrid work models raise new topics related to health and well-being	Employees Investors Policymakers
Responsible sourcing	●●●○	●●●○	**I(-)**: Unregulated working hours and overtime for suppliers' workers lead to a lower work-life balance and an increased risk of injuries **I(-)**: Unsafe working conditions affect workers' mental and physical health **I(-)**: Child and forced labor as a result of sourcing products that contain minerals sourced from conflict-affected and high-risk areas **R**: Risk that the company's suppliers could fail to ensure a safe and healthy working environment and engage in unfair labor practices, such as excessive working hours, leading to unsafe conditions for workers **R**: Risk that the company's suppliers could fail to uphold human rights by permitting child labor and/or forced labor in their own operations or in those of other suppliers	• Upstream	• Upcoming sustainability due diligence legislation (see **Human rights**) • Continued risk of supply chain disruptions caused by climate change effects, pandemics and geopolitics	Business customers Investors Policymakers Suppliers
Anti-bribery and corruption	●○○○	●●●●	**I(-)**: In the event that corruption occurs it may divert resources away from legitimate investments or expenses **R**: Insufficient training and prevention could create a risk of bribery or corruption	• Own operations	• Macroeconomic downturn increases bribery and corruption risks • In general, legislation is taking a more stringent approach to anti-bribery and corruption	Business customers Consumers Employees Investors

Low ● Medium ●● High ●●● Very high ●●●● **I(-):** Negative impact **I(+):** Positive impact **R:** Risk **O:** Opportunity

Some additional topics that affect Telia's industry, such as labor rights, conflict minerals and AI ethics, are embedded in the company's overarching sustainability impact areas listed above. Certain topics that are on the rise but are not seen as highly material by Telia – such as biodiversity and water – are addressed in other sustainability notes in this report.

Description of the 2023 double materiality process:

1. Identification of possible material topics for Telia based on standards (ESRS and SASB), ESG ratings (EcoVadis, MSCI, ISS ESG, Sustainalytics and FTSE4Good), as well as Telia's previous materiality and industry-specific overview (GSMA metrics for Mobile). Through the identification of topics from various sources, a long list of topics and subtopics was created.
2. An internal guide was created to assess both the financial materiality and the impact materiality. The guide determined basics for the assessment, including definitions for the different impact levels (low, medium, high and very high) and likelihood. The financial materiality guide was based on Telia's existing Enterprise Risk Management (ERM) Framework, which assesses risks and the effect on Telia if they materialize, through the financial, strategic, reputational, customer experience and regulatory front. The ERM framework was adapted to also assess opportunities in a similar way to risks, for the purpose of the double materiality process. The impact materiality guide was based on the logic of the United Nations Guiding Principles on Business and Human Rights to assess the impacts that Telia generates on society or the environment. These were assessed by the severity of the impact, which covers scale, scope and irremediability.
3. For each subtopic from the long list, Telia specified potential or actual impact, risk and opportunity statements to proceed with the assessment of each. The assessment consisted of using the internal guide to determine a scoring for each impact, risk and opportunity statement, which was given by two factors: a) the impact (on Telia or on the environment/society) and b) its likelihood of happening. This was assessed by internal matter experts, using inputs from the list provided in the "Primary sources for determining materiality" (shown on this page) as well as continuous stakeholder engagement.
4. Roundtable meetings with the experts were conducted to ensure consistency across all topics.
5. The materiality threshold was defined as those topics with a "high" or "very high" heat map result. This means that topics that had a risk or an opportunity with a "high" or "very high" result are considered material from a financial perspective. Topics that had an impact with a "high" or "very high" result are considered material from an impact perspective. In line with the ESRS requirements on double materiality, a short list of material impact areas was created based on those topics that had high or very high results from either the financial or the impact perspective. A summary of results is found in the section about **How we prioritize**.
6. After findings were determined by the creation of the short list, validation was conducted through engagement with Telia's Board of Directors, Sustainability Committee, local sustainability leads and extended teams.

Primary sources for determining materiality included:

- Telia's own 2020 materiality deep dive based on desktop research validated through internal and external stakeholder dialogues in 2021 and 2022
- Learnings from the GSMA industry association's project on metrics for the mobile industry in partnership with Yale University, based on stakeholder engagement
- 2022 expert analysis on ongoing climate-related trends among key stakeholders and the business impact those trends could have on Telia in the short, medium and long term, and a deep dive into material transition risks and opportunities for Telia in 2025-2027
- Updated human rights risk mapping and salience analysis with BSR in 2022
- SB Insight's 2023 consumer trend studies, which identify how consumers in Telia's markets think a telco should prioritize
- Topics covered by ESG ratings, including how topics are weighted
- Engagement with collaborative partners (some of which are listed on page 77) to get a deeper understanding of theme-specific impacts and topic boundaries
- Concerns raised by stakeholders in the media and Telia's Speak-Up Line
- Continuous monitoring of policy development and media
- Enterprise Risk Management annual risk assessment
- Supplier audits

Stakeholders are generally selected for engagement either because they represent the opinions of a stakeholder group (as in the case of a union) or because Telia considers them knowledgeable due to their expertise (as in the case of a human rights organization) and/or experience (as in the case of children).

Information on determination of salient human rights issues, including additional sources that inform Telia's double materiality is provided in **Sustainability note S7**.

S4 Climate and circularity

See the **Climate and circularity** chapter for more information. For more details on calculation methods, emission factors and more, see **Telia's Sustainability Reporting Framework**.

Energy consumption
Telia only uses renewable electricity, which accounts for 95% of its total energy use. The remaining fossil-based energy relates to district heating and cooling, vehicle fuels, natural gas and diesel used for backup power, for which the company has started to implement alternatives. Additional energy data is presented in the table to the right.

MWh	2023	2022	2021
Fuel consumption from coal and coal products	-	-	-
Fuel consumption from crude oil and petroleum products	16,112	19,648	17,408
Fuel consumption from natural gas	1,419	1,784	2,314
Fuel consumption from other non-renewable sources	-	-	-
Consumption from nuclear products	-	-	-
Consumption of purchased or acquired electricity, heat, steam, and cooling from non-renewable sources	38,984	51,367	55,382
Total non-renewable energy consumption	**56,515**	**72,799**	**75,104**
Share of non-renewable sources in total energy consumption (%)	**5%**	**6 %**	**6%**
Fuel consumption from renewable sources (including biomass, biogas, non-fossil-fuel waste, renewable hydrogen, etc.)	-	-	-
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	1,183,387	1,135,608	1,091,435
Consumption of self-generated non-fuel renewable energy	188	201	160
Total renewable energy consumption	**1,183,575**	**1,135,809**	**1,091,595**
Share of renewable sources in total energy consumption (%)	**95%**	**94 %**	**94%**
Total energy consumption (MWh)	**1,240,090**	**1,208,608**	**1,166,699**

Greenhouse gas (GHG) emissions
GHG emissions (scope 1, 2 and 3) are reported in the following tables, aligned with the GHG protocol.

During 2022, Telia updated the full value chain assessment covering all scopes. The Corporate Value Chain (Scope 3) Standard was applied to calculate all 15 categories of scope 3 emissions. A full update of all categories is provided for 2018, 2020 and 2022. Scope 3 emissions are reported with a one-year delay to be able to include supplier data that was not available to Telia at the time of the publication of the previous year's report. The most material categories for Telia are:

- Purchased goods and services (category 1) – OPEX, e.g., emissions generated from network construction and maintenance (field services), purchased mobile phones and other hardware
- Capital goods (category 2) – CAPEX, e.g., purchased network equipment

Lower CO_2e-emissions upstream (categories 1 and 2) in 2022, compared to base year 2018, are mostly due to decreasing carbon intensity emission factors (environmental economic input output factors). Other factors impacting reductions are potential reductions in spend by Telia, supplier-level reductions and minor changes in calculation methodology. Telia aims to reduce the application of industry average calculation methods and increase the share of supplier-level data and product-level data. An overview of this development is shown in the table on the following page.

tCO_2e	Base year 2018	2020	2021	2022	2023	% Change from last year	% Change from base year	Targets 2025	Targets 2030	Targets Net-zero 2040
Scope 1 GHG emissions										
Gross Scope 1 GHG emissions	9,142	7,402	6,113	6,357	5,438	-14	-41	4,571	914	914
Percentage of Scope 1 GHG emissions from regulated emissions trading schemes %	0.03	0.02	0.03	0.03	0.03	-	-	-	-	-
Scope 2 GHG emissions										
Gross location-based Scope 2 GHG emissions	136,077	131,831	89,412	78,879	90,626	15	-33	-	-	-
Gross market-based Scope 2 GHG emissions	55,734	5,774	4,716	3,397	3,189	-6	-94	27,867	5,573	5,573
Significant scope 3 GHG emissions										
Total Gross indirect (Scope 3) GHG emissions	**1,174,682**	**1,149,758**	**-**	**1,151,578**	**-**	**-**	**-**	**-**	**587,341**	**117,468**
Purchased goods and services (category 1)[1]	1,004,524	955,543	937,738	817,679	-	-	-	-	-	-
Capital goods (category 2)[1]				196,975	-	-	-	-	-	-
Fuel and energy-related activities (category 3)	40,608	41,043	-	43,628	-	-	-	-	-	-
Upstream transportation and distribution (category 4)	9,201	48,627	-	15,066	-	-	-	-	-	-
Waste generated in operations (category 5)	18,049	2,524	-	1,750	-	-	-	-	-	-
Business travel (category 6)	8,296	1,960	-	2,881	3,280	14	-60	-	-	-
Employee commuting (category 7)	14,370	4,787	-	5,653	-	-	-	-	-	-
Upstream leased assets (category 8)	3,180	2,785	-[2]		-	-	-	-	-	-
Downstream transportation and distribution (category 9)[3]	-	-	-	-	-	-	-	-	-	-
Processing of sold products (category 10)[3]	-	-	-	-	-	-	-	-	-	-
Use of sold products (category 11)	43,336	46,463	39,360	23,164	-	-	-47	30,769	-	-
End-of-life treatment of sold products (category 12)	1,150	71	-	86	-	-	-	-	-	-
Downstream leased assets (category 13)	26,849	40,986	28,103	29,812	-	-	-11	19,063	-	-
Franchises (category 14)	59	22	-	34	-	-	-	-	-	-
Financial investments (category 15)	5,060	4,947	-	14,850	-	-	-	-	-	-
Total GHG emissions										
Total GHG emissions (location-based)	**1,319,901**	**1,288,991**	**-**	**1,236,814**	**-**	**-**	**-6[4]**	**-**	**-**	**-**
Total GHG emissions (market-based)	**1,239,558**	**1,162,934**	**-**	**1,161,332**	**-**	**-**	**-6[4]**	**-**	**-**	**-**

1) Categories "Purchased goods and services (category 1)" and "Capital goods (category 2)" are combined for 2018 to 2021.
2) "Upstream leased assest (category 8)" is combined with scope 1 from 2022 and onwards.
3) "Downstream transportation and distribution (category 9)" and "Processing of sold products (category 10)" are not applicable.
4) 2022 total (scopes 1-3) compared to base year.

% of methodology, Scope 3 Cat 1 and 2*			
Year	Industry average	Product-level	Supplier-level
2018	74%	20%	7%
2019	74%	19%	8%
2020	78%	19%	3%
2021	69%	22%	8%
2022	**70%**	**21%**	**9%**

*The table covers the majority of emissions from categories 1 and 2, 86%, excluding emission data from TV and Media, LMT Latvia, Cygate Finland and SYV Joint Network in Finland.

Waste

Waste is one of Telia's key environmental aspects, and through its zero waste target the company is committed to reducing its total waste footprint from its own operations, including network construction and maintenance. To meet its target, Telia has expanded its waste data collection since 2020. Continuous work is ongoing to improve data collection and quality, as contractors and waste management suppliers are partially providing Telia with estimates on a best-effort basis while adapting to provide the company with Telia-specific data in the coming years.

Waste (ktons)	2023	2022[1]	2021[1]
Construction waste	**72**	**89**	**113**
Stone, gravel, asphalt	47	70	87
Impregnated wooden poles*	20	21	20
Metals	3	3	3
Cables	1	3	2
Wooden material from construction	1	1	<1
Electronic waste*	**2**	**2**	**1**
Batteries*	**1**	**1**	**1**
Office waste	**4**	**2**	**2**
Total	**79**	**103**	**117**

*Hazardous waste

1) Update of figures from contractors, in comparison to 2021 and 2022 Annual and Sustainability Reports

Waste (%)	2023	2022	2021
Reuse	5	30	<1
Recycle	67	46	80
Incineration with and without energy recovery	27	23	19
Sent to landfill	<1	<1	<1

Read more about recycling and reuse in the **Climate and circularity** chapter.

Water and biodiversity

Own operations

Water is not regarded as a material environmental aspect for Telia's own operations, based on the company's double materiality assessment and its related materiality threshold. Some data center facilities have water-based cooling, but water is recirculated in closed systems. In addition to the closed-loop water cooling, there are a few cooling sites where water is sprayed on the outdoor chiller elements (and vaporized) during peak temperatures, thereby increasing the cooling capacity without increasing energy consumption. Since the solution is in operation for only a few hours each year, the impact on total water consumption is minor (<10%). Water consumed in offices and in other locations is used for sanitary purposes and kitchen/canteen activities only. All Telia facilities, including data centers, are located in built areas with connections to municipal water infrastructure.

Telia impacts biodiversity but, based on the double materiality assessment and the related materiality threshold, this is not regarded as a material environmental aspect for its own operations. Telia provides significant network infrastructures in the countries where it operates, but the inherent risk is reduced due to local environmental legislation when doing construction and maintenance of those sites and the fact that the infrastructure is mostly built in environments that are already built and occupied by human activities. Mitigation activities include avoiding building on non-built land and limiting the land area affected. In sensitive nature areas precautionary measures are taken, often also established by law. Biodiversity risks are also mitigated by Telia's zero waste goal, meaning that, from 2030 onwards, the company aims to send no waste to incinerators or landfills.

Value chain

Water and biodiversity aspects are important in parts of Telia's supply chain – for example, in certain electronics manufacturing processes and in mineral extraction activities. Suppliers are required to identify and manage all significant environmental aspects associated with their operations, apply the precautionary principle and impose the same requirements on their subcontractors. These requirements also apply for water and biodiversity, when relevant. Moreover, Telia's circularity agenda is another way of limiting negative impacts on ecosystems in the supply chain by, for example, applying circular business models to prolong the lifetime of hardware and thereby limiting the extraction of new minerals.

Eco Rating, which promotes the durability, repairability and recyclability of the materials used in smartphones, is another example of initiatives that aim to limit negative impacts on the environment, including both water and biodiversity. Moreover, Telia's broader climate change program indirectly limits negative biodiversity risks caused by climate change, as well as pollution from transport, as an example.

As mentioned under Sustainability note S3 on Materiality determination, biodiversity is on Telia's watch list of topics where the aim is to better understand these impacts in the coming years. In 2023, the industry association GSMA created a joint working group in which Telia is part of for this purpose.

Carbon and energy enablement

The methodology for Telia's carbon enablement calculations was developed together with the Carbon Trust consultancy firm. The starting point for the model's development was the **GSMA Enablement Effect Report**. Today, Telia focuses on calculating the enablement effect of its remote meetings and IoT offerings. The company does not capture the broader sets of enablement effects – such as, for example, working from home, online

shopping and accommodation sharing – for which its underlying connectivity services provide opportunities. Moreover, no eventual rebound effects are captured in the company's calculations. Additional information about the methodology, including underlying assumptions, is available in the methodology paper on **Telia's website**.

Regarding the results, please note:

- Reporting of enablement effects is still in its infancy and the methods are under development as research on the impacts of digitalization continues to advance. Hence, reported data are estimates based on available research and data
- Carbon enablement factor calculations are generally based on both data from the use of Telia's services as well as assumptions from market reports or other studies
- Currently, no standards exist for enablement calculations. Telia participates in the work of the **European Green Digital Coalition**, launched by the European Commission in 2021 to advance enablement calculation and reporting methodologies for ICT technologies, aiming for a common methodology. No common methodology has yet been adopted by the industry and research on a common approach to calculate the enablement effect of connectivity – Telia's core business – is still pending. For its reporting methodology, Telia engages with the Carbon Trust, which was appointed by the European Commission as an expert organization. Telia follows methodology developments closely and reviews its model when needed. The company also regularly revises its model as more granular primary data becomes available
- Due to the limited scope of Telia's model and the conditions in its markets (e.g., national electricity grid emission factors based on a high share of renewable energy sources), the results should not be considered directly comparable to the results based on other telcos' similar models
- Data presented in previous Annual and Sustainability Reports is not fully comparable to the 2023 numbers since data capture was improved and certain calculation methods changed during the year

Carbon and energy enablement data	Carbon (ktons CO_2e)	Energy (GWh)
Smart buildings	261	1,219
Smart utilities	40	924
Smart transport	9	3
Remote meetings	123	-
Total	**433**	**2,146**

Taxonomy reporting

The aim of the EU Taxonomy, as part of the European Green Deal, is to direct financial flows towards sustainable economic activities by providing a common classification system of what is considered sustainable. In 2023, in addition to continuing the reporting of the same activities under the climate change mitigation and adaptation environmental objectives, Telia is also, for the first time, reporting on the eligibility of activities under the remaining environmental objectives.

The EU Taxonomy is still under development. As illustrated below, Telia reports a limited percentage of Taxonomy-eligible and aligned activities since telecommunications networks are not included in the Taxonomy (see Financial key performance indicators on pages 119-122). The telecommunications industry has highlighted this deficiency to the European Commission, advocating for networks to be covered in future Taxonomy delegated acts with dedicated, fit-for-purpose alignment criteria.

Please note that complete environmental data for Telia is provided in the **Climate and circularity** chapter and previous parts of this note, including the company's total carbon and energy footprint, the energy sources used and circularity initiatives.

Assessment of eligibility
Telia has assessed all of its economic activities to determine which ones should be reported under the Taxonomy definitions. The following activities have been deemed eligible for Telia in 2023:

Under the climate change mitigation environmental objective:

8.1 Data processing, hosting and related activities: Telia reports data centers – facilities used for centralized storage, management or processing of data together with all the infrastructure and equipment necessary to do so. The data centers reported are used by external customers and for the company's internal purposes. Telia has scoped its reporting to focus on data centers that meet a specified energy consumption threshold and are critical for core network operation in a specific market or across the company's operations. Going forward, Telia intends to apply the threshold of power demand for installed information technology of at least 500kW introduced by the recently adopted Energy Efficiency Directive. The company does not expect this to result in material changes to the list of data centers it reports on.

8.2 Data-driven solutions for GHG emissions reductions: Under this activity, Telia reports products and services with significant enabling effects but excludes the data transmission phase or technologies required for data transmission processes. The company currently provides the following solutions with significant enablement effects for customers:

- Remote meeting services
- IoT solutions for smart buildings, transportation and utilities

Under the transition to a circular economy environmental objective:

4.1 Provision of IT/OT data-driven solutions: Under this activity, Telia reports Internet of Things solutions used for remote monitoring and predictive maintenance. There is no overlap with solutions reported under climate change mitigation activity 8.2.

5.1 Repair, refurbishment and remanufacturing: Under this activity, the company reports repair services – primarily of mobile phones, but also of some customer premises equipment – provided to individual customers or businesses through its own service workshops or those of its service partners.

5.4 Sale of second-hand goods: Under this activity, Telia reports sales of pre-owned and refurbished mobile phones in all of its markets, as well as sales of office equipment in Estonia.

5.5 Product-as-a-service and other circular use- and result-oriented service models: Under this activity, the company reports the provision of mobile phones to business customers through its Device as a Service offering.

Telia provides Internet of Things solutions that can be used to control and reduce water leakage (activity 4.1 under the protection of water and marine resources environmental objective). These services are not standardized and do not represent a strategically prioritized vertical in Telia's IoT offering. The financial scope of these services is extremely limited. Due to these factors, activity 4.1 has been deemed immaterial and excluded from the reporting scope.

TV and Media-related activities (8.3 and 13.3 under the climate change adaptation environmental objective) have been deemed insignificant, given that only CAPEX and OPEX related to implemented adaptation solutions can be reported. There is uncertainty about reporting under the climate change adaptation environmental objective, despite guidance from the European Commission.

The company has also assessed several additional economic activities that constitute purchase of Taxonomy-aligned outputs under the climate change mitigation objective, namely:
4.1 Electricity generation using solar photovoltaic technology
4.3 Electricity generation from wind power
4.11 Storage of thermal energy
6.5 Transport by motorbikes, passenger cars and light commercial vehicles

No turnover can be reported for these activities and the related financial KPIs would constitute OPEX under Taxonomy definitions, which is not material for Telia's business model. Therefore, these economic activities have been excluded from the reporting scope.

Telia will continue to monitor future guidance and adjust its reporting in light of emerging best practices.

Assessment of alignment
For activities reported under the transition to circular economy environmental objective (4.1, 5.1, 5.4 and 5.5), only an eligibility check is required in 2023. No alignment assessment was performed for these activities. In the financial KPI tables, they are listed as eligible and not aligned. In line with the legal requirements, Telia intends to perform the necessary assessments in the next reporting cycle.

8.1 Data processing, hosting, and related activities
There are three technical screening criteria for substantial contribution that need to be fulfilled under 8.1:

- Implementation of the EU Code of Conduct for Data Centre Energy Efficiency, verified by an independent third party and audited at least every three years
- Where a specific Code of Conduct practice is not relevant, explanation is provided, including the use of alternative best practices
- Global warming potential of the refrigerant used in the cooling system does not exceed 675

No data center reported under 8.1 is deemed aligned. To date, one of Telia's reported data centers has implemented the EU Code of Conduct – however, the implementation has not been verified by an independent third party. This same data center also meets the requirement on refrigerants due to its use of water cooling in its operational cooling system. Over the course of 2023, Telia evaluated the possibility of implementing the EU Code of Conduct in its other data centers. No changes in the use of refrigerants are currently foreseen.

8.2 Data-driven solutions for GHG emission reductions
There are two alignment criteria that need to be fulfilled for an activity to be Taxonomy-aligned under 8.2:

- ICT solution to be predominantly used for enabling GHG emission reductions
- Substantial life cycle GHG emission savings compared to the best-performing alternative solution/technology

As no alternative solutions/technologies exist for the services reported under this activity, Telia considers that, based on the criterion text, a life cycle assessment is not necessary. Nonetheless, in its analysis, the company demonstrated the net benefits of the digital component of the reported remote meetings and Internet of Things solutions for buildings and utilities, leading to substantial greenhouse gas emissions and, in some cases, electricity or energy savings from these services.

Internet of Things solutions for transport are not aligned with the technical screening criteria as they are only partially included in the company's 2023 enablement calculations. These calculations are used as one of the inputs to Telia's net benefit assessment used for Taxonomy alignment.

Do no significant harm
For activities reported under the transition to circular economy environmental objective (4.1, 5.1, 5.4 and 5.5), only an eligibility check is required in 2023. No "do no significant harm" assessment was performed for these activities during the year. In the financial KPI tables, they are listed as eligible and not aligned. In line with the legal requirements, Telia intends to perform the necessary assessment in the next reporting cycle.

A "do no significant harm" assessment was carried out to assess compliance for the two reported activities (8.1 and 8.2)

Under "climate change adaptation", the assessment consisted of Telia's physical climate risk analysis at a company level, which is detailed under **Telia's transition plan and TCFD reporting**. For the purposes of activity 8.1, during 2023 the company performed deepened site-specific analyses. Telia considers that the company-level analysis meets the requirement in the case of the data-driven solutions reported under activity 8.2, as digital services are not site-specific.

For activity 8.1, an assessment was carried out to ensure the requirements are met under "water",

also detailed under S4 Climate and circularity. Telia is not substantially dependent on water in its operations, and where data centers use water-based cooling, it is re-circulated in a closed system. All Telia facilities, including data centers, are located in areas with connections to municipal water infrastructure. When planning its data centers, the company follows all relevant laws and regulations, including with regard to environmental impact assessments and requirements included therein on assessment of impacts on water.

For both activities 8.1 and 8.2, an additional assessment was carried out to ensure the requirements are met under "circular economy":

- Telia does not manufacture any servers or data storage equipment but purchases it from suppliers which operate within the EU. These suppliers mark their products with the CE label, as required under Directive 2009/125/EC. Compliance is also ensured through supplier requirements based on the Supplier Code of Conduct
- Telia has specific requirements in place for its suppliers in regard to restricted and banned substances covered by the EU Directives on restriction of the use of certain hazardous substances (RoHS) and waste from electrical and electronic equipment (WEEE)
- Telia is compliant with local waste management regulations and requirements, as well as with EU WEEE legislation. In addition, the company purchases waste management services from suppliers with relevant licenses in their markets. All electronic waste is separated and reused or recycled (for more information, see the **Climate and circularity** chapter)

Minimum social safeguards

Minimum social safeguards are in place through the implementation of company-level policies and instructions related to, for example, human rights, anti-bribery and corruption, taxation and fair competition. These policies and instructions adhere to relevant international standards and guidelines (see the **Group-wide Governance Framework** section for a brief description). Furthermore, these areas are fully reflected in Telia's risk management process, which is an integrated part of the business planning process and monitoring of business performance. More information about the risk management practices and Principal Risk areas can be found in the **Enterprise Risk Management and Compliance Framework** section. Telia's approach to assessing non-compliance with any of its policies and instructions involves continuous due diligence and various follow-up procedures, including grievance mechanisms, audits and controversy screenings of suppliers.

Accounting principles

The Taxonomy KPI definitions of turnover, operating expenditure (OPEX) and capital expenditure (CAPEX) are not fully aligned with similar measures used in Telia's consolidated financial statements. For Taxonomy reporting purposes, some adjustments have therefore been made to Telia's financial measures. Telia's interpretations of the Taxonomy KPI definitions are based on guidance from the Taxonomy publications, guidance from FAR (Institute for the Accountancy Profession in Sweden – FAQ on the EU Taxonomy), and consultations with external sustainability experts. The interpretations of the KPI definitions might change in the future as the Taxonomy reporting guidance is clarified, and/or the Taxonomy reporting practices are developed. To fully align with the Taxonomy reporting requirements, further efforts will be needed to improve Telia's internal reporting systems and processes. In 2023, Telia took additional steps to expand guidance for reporting units and increase data control checks.

The three Taxonomy KPI denominators were defined as follows by Telia in 2023:

- Turnover is defined as external revenue under the International Financial Reporting Standards (IFRS), which corresponds to external revenue in Telia's consolidated statements of comprehensive income, e.g., including only continuing operations
- CAPEX is defined as additions to property, plant and equipment, intangible assets and right-of-use assets during the financial year before depreciation, amortization and impairments. Additions to goodwill and film and program rights are not included in CAPEX. Additions are defined as investments during the financial year (net of any government grants received) and include additions resulting from business combinations as well as gross increases of asset retirement obligations (costs of dismantling and restoration). The Taxonomy CAPEX measure includes both continuing and discontinued operations (Denmark). Telia's CAPEX measure used in the consolidated financial statements excludes additions resulting from business combinations and asset retirement obligations but includes advances and pre-payments
- OPEX is defined as direct non-capitalized costs that relate to research and development, building renovation measures, short-term leases, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plants and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets. The Taxonomy OPEX measure includes only continuing operations
- Direct non-capitalized costs related to research and development corresponds to the amount for research and development expenses in Telia's consolidated statements of comprehensive income, excluding amortization, depreciation and impairment expenses in that function. Telia has adopted a strict interpretation of day-to-day servicing expenditures and has, for example, only included costs if required for maintenance of servicing property plants and equipment

Since Telia's reporting structures and systems have not yet been fully adjusted to mirror the economic activity definitions of the Taxonomy, some assumptions have been made to establish the numerator for certain parts of the KPIs. For some of the data center activities, estimates have been made to calculate the share of OPEX and CAPEX related to external customers. As Internet of Things platforms and technical solutions are not developed for a specific vertical use, allocation of OPEX and CAPEX to the reported services mirrors the share of these services in the turnover of total Internet of Things revenues. These are the figures covered in the reporting. As a general note, Telia has applied a conservative approach both in identifying eligible activities and when estimating CAPEX and OPEX associated with such activities.

Financial key performance indicators

Based on the assessment performed, Telia reported the following Taxonomy-eligible and aligned turnover, CAPEX and OPEX:

Turnover

Substantial contribution criteria		2023		Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)									
Economic activities	Code(s)	Turnover SEK million	Proportion of turnover, year 2023 %	Climate change mitigation Y; N; N/EL	Climate change adaptation Y; N; N/EL	Water Y; N; N/EL	Pollution Y; N; N/EL	Circular economy Y; N; N/EL	Biodiversity Y; N; N/EL	Climate change mitigation Y/N	Climate change adaptation Y/N	Water Y/N	Pollution Y/N	Circular economy Y/N	Biodiversity Y/N	Minimum safeguards Y	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year 2022 %	Category enabling activity E	Category transitional activity T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities[1]																			
8.2 Data-driven solutions for GHG emissions reductions	CCM	148	0.17%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Y	N/A	N/A	Y	N/A	Y	0.29%	E	
Turnover of environmentally sustainable activities[1] (A.1)		148	0.17%	0.17%													0.29%		
Of which Enabling		148	100%	0.17%															
Of which Transitional		0	0%																
A.2 Taxonomy-Eligible but not environmentally sustainable activities[2]																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
4.1 Provision of IT/OT data-driven solutions	CE	176	0.20%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0%		
5.1 Repair, refurbishment and remanufacturing	CE	50	0.06%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0%		
5.4 Sale of second-hand goods	CE	212	0.24%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0%		
5.5 Product-as-a-service and other circular use- and result-oriented service models	CE	1,452	1.64%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0%		
8.1 Data processing, hosting, and related activities	CCM	490	0.55%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.45%		
8.2 Data-driven solutions for GHG emissions reductions	CCM	169	0.19%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Turnover of Taxonomy-eligible not but not environmentally sustainable activities[2] (A.2)		2,549	2.87%	0.74%				2.13%									0.45%		
Total Turnover of Taxonomy eligible activities (A.1 + A.2) (A)		**2,697**	**3.04%**	**0.91%**				**2.13%**									**0.74%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities (B)		**86,088**	**96.96%**																
Total (A + B)		**88,785**	**100%**																

1) Taxonomy-aligned
2) Not Taxonomy-aligned activities

CAPEX

Substantial contribution criteria		2023		Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)									
Economic activities	Code(s)	CAPEX SEK million	Proportion of CAPEX, year 2023 %	Climate change mitigation Y; N; N/EL	Climate change adaptation Y; N; N/EL	Water Y; N; N/EL	Pollution Y; N; N/EL	Circular economy Y; N; N/EL	Biodiversity Y; N; N/EL	Climate change mitigation Y/N	Climate change adaptation Y/N	Water Y/N	Pollution Y/N	Circular economy Y/N	Biodiversity Y/N	Minimum safeguards Y	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CAPEX, year 2022 %	Category enabling activity E	Category transitional activity T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities[1]																			
8.2 Data-driven solutions for GHG emissions reductions	CCM	17	0.07%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Y	N/A	N/A	Y	N/A	Y	0.09%	E	
CAPEX of environmentally sustainable activities[1] (A.1)		17	0.07%	0.07%													0.09%		
Of which Enabling		17	100%	0.07%															
Of which Transitional		0	0%																
A.2 Taxonomy-Eligible but not environmentally sustainable activities[2]																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
4.1 Provision of IT/OT data-driven solutions	CE	0	0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0%		
5.1 Repair, refurbishment and remanufacturing	CE	20	0.08%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0%		
5.4 Sale of second-hand goods	CE	0	0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0%		
5.5 Product-as-a-service and other circular use- and result-oriented service models	CE	897	3.85%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0%		
8.1 Data processing, hosting, and related activities	CCM	296	1.27%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.69%		
8.2 Data-driven solutions for GHG emissions reductions	CCM	23	0.10%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
CAPEX of Taxonomy eligible but not environmentally sustainable activities[2] (A.2)		1,235	5.30%	1.37%				3.93%									0.69%		
CAPEX of Taxonomy eligible activities (A.1+A.2) (A)		**1,252**	**5.37%**	**1.44%**				**4%**									**0.78%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CAPEX of Taxonomy-non-eligible activities (B)		**22,073**	**94.63%**																
Total (A + B)		**23,325**	**100%**																

1) Taxonomy-aligned
2) Not Taxonomy-aligned activities

OPEX

Substantial contribution criteria	2023			Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)									
Economic activities	Code(s)	OPEX SEK million	Proportion of OPEX, year 2023 %	Climate ange mitigation Y; N; N/EL	Climate change adaptation Y; N; N/EL	Water Y; N; N/EL	Pollution Y; N; N/EL	Circular economy Y; N; N/EL	Biodiversity Y; N; N/EL	Climate change mitigation Y/N	Climate change adaptation Y/N	Water Y/N	Pollution Y/N	Circular economy Y/N	Biodiversity Y/N	Minimum safeguards Y	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OPEX, year 2022 %	Category enabling activity E	Category transitional activity T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities[1]																			
8.2 Data-driven solutions for GHG emissions reductions	CCM	86	3.08%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Y	N/A	N/A	Y	N/A	Y	11.09%	E	
OPEX of environmentally sustainable activities[1] (A.1)		86	3.08%	3.08%					-								11.09%		
Of which Enabling		86	100%	3.08%															
Of which Transitional		0	0%																
A.2 Taxonomy-Eligible but not environmentally sustainable activities[2]																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
4.1 Provision of IT/OT data-driven solutions	CE	45	1.60%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0%		
5.1 Repair, refurbishment and remanufacturing	CE	79	2.81%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0%		
5.4 Sale of second-hand goods	CE	173	6.19%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0%		
5.5 Product-as-a-service and other circular use- and result-oriented service models	CE	400	14.28%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0%		
8.1 Data processing, hosting, and related activities	CCM	146	5.22%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								6.38%		
8.2 Data-driven solutions for GHG emissions reductions	CCM	177	6.32%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
OPEX of Taxonomy-eligible not but not environmentally sustainable activities[2] (A.2)		1,019	36.42%	11.55%				24.87%									6.38%		
Total OPEX of Taxonomy eligible activities (A.1 + A.2) (A)		**1,106**	**39.50%**	**15%**				**25%**									**17.48%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OPEX of Taxonomy-non-eligible activities (B)		**1,693**	**60.50%**																
Total (A + B)		**2,799**	**100%**																

1) Taxonomy-aligned
2) Not Taxonomy-aligned activities

Turnover	Proportion of turnover / Total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
Climate change mitigation (CCM)	0.17%	0.74%
Climate change adaptation (CCA)	N/A	N/A
Water and marine resources (WTR)	N/A	N/A
Circular economy (CE)	0%	2.13%
Pollution prevention and control (PPC)	N/A	N/A
Biodiversity and ecosystems (BIO)	N/A	N/A

CAPEX	Proportion of CAPEX / Total CAPEX	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
Climate change mitigation (CCM)	0.07%	1.37%
Climate change adaptation (CCA)	N/A	N/A
Water and marine resources (WTR)	N/A	N/A
Circular economy (CE)	0%	3.93%
Pollution prevention and control (PPC)	N/A	N/A
Biodiversity and ecosystems (BIO)	N/A	N/A

OPEX	Proportion of OPEX / Total OPEX	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
Climate change mitigation (CCM)	3.08%	11.55%
Climate change adaptation (CCA)	N/A	N/A
Water and marine resources (WTR)	N/A	N/A
Circular economy (CE)	0%	24.87%
Pollution prevention and control (PPC)	N/A	N/A
Biodiversity and ecosystems (BIO)	N/A	N/A

Disclosure regarding nuclear and fossil gas related activities

Nuclear related activities		
1.	The undertaking carries, out funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Telia's transition plan and TCFD reporting

Telia sees climate change management as a decisive factor for future business success and acknowledges the importance of providing investors and other stakeholders with information about how it plans to transition into a low-carbon economy and remain resilient. The company takes the Task Force on Climate-related Financial Disclosures (TCFD) recommendations not only as reporting recommendations, but also as useful guidance to continuously structure and improve its work. The reporting below, including references, reflects Telia's current transition plan, which the company will continue to develop in 2024.

Governance

Board oversight and the role of management in the full sustainability agenda, including climate, is described in the **Sustainability governance** chapter. Additional climate-specific information is provided here.

Board oversight

In 2019, the Board adopted Telia's 2030 climate targets. In 2021, the Board approved the new Telia purpose and updated business strategy, in which climate and circularity were embedded and selected as one of the three most prioritized impact areas with dedicated short-, medium- and long-term goals. To continuously exercise oversight, the Board receives half-year and full-year updates from management on both progress towards the goals and climate-related risks. The latter is part of the company's **Enterprise Risk Management process**, in which Environment, which embeds Climate and circularity, is one of the Principal Risk areas that the Board is overseeing. Each year, the Board approves the externally assured Annual and Sustainability Report through which Telia's climate performance is reported to external stakeholders.

The role of management

Group Executive Management (GEM) jointly owns the environmental agenda, and its members are responsible for assessment and management of climate-related matters, including strategic business decisions, goal setting and target execution.

In addition, the sustainability steering committee facilitates continuous strategic work, finds solutions and ways forward related to barriers, risks, and opportunities, and engages the GEM, as needed. The steering committee consists of five members of GEM (the Head of Communication, Brand and Sustainability, the CEO of Telia Sweden, the Group Chief Operating Officer, the Chief Financial Officer and the Chief Strategy and Commercial Officer), as well as the Head of Group Governance, Risk and Compliance and the Head of Group Sustainability.

Members of GEM are evaluated on sustainability goals as part of their annual performance evaluation. Responsibilities for KPIs related to climate and circularity are distributed within local and functional management teams and the same KPIs are integrated into the performance evaluation of key individuals. Moreover, ESG parameters, including Telia's 2025 supply chain climate target, have been included in the Long-Term Incentive program (variable pay) applicable to the Extended Leadership Team since 2022.

Strategy

Since its first TCFD report in 2019, Telia has continuously developed its reporting and underlying assessments of risks and opportunities. The table on the next page presents key risks and opportunities, with additional information on the following pages, including impacts on strategy and financial planning.

In 2022, Telia identified expected climate-related risks and opportunities in the short, medium and long term. The analysis was reviewed in 2023 and the trends were found to have either remained the same or been accentuated, especially since physical climate effects due to extreme weather events had continued to impact the countries in which Telia operates, with 2023 being yet another record year in terms of global warming. Moreover, market trends increased as CSRD came closer to entering into force.

There are different ways of conducting scenario analyses. For physical climate risks (see further down), Telia has conducted detailed analyses for various temperature levels. For transition risks, the company has based its analysis on the assumption that the world will continue to strive to limit global warming to a maximum of 1.5°C compared to pre-industrial levels and, if warming exceeds that limit, it will make efforts to bend the overshoot. If that scenario is not achieved, Telia expects the drivers described below to be accentuated as a consequence of accelerating physical climate risks.

"Short term" is defined as from now until 2025, "medium term" from 2025-2027 and "long term" from 2027-2030. Due to uncertainties, Telia uses a longer time frame for physical climate risks – currently, until 2040. In the company's view, each of the transition risks listed below could be turned into an opportunity through successful mitigation activities.

Transition risks

Identification of risks and opportunities

Transition risks and opportunities are continuously assessed as part of Telia's monitoring of, for example, policy and technological development (legal, policy and technological risks), the development of the energy market and customer trends (market risks), and stakeholder and media discussions (reputational risks). In 2022, Telia updated its analysis and deepened its understanding by inviting a cross-functional group of internal subject matter experts to screen information from various sources and analyze potential shifts (policy/legal, technological, market and reputation) and the risks and opportunities they could pose for the company in the short, medium and long term, with a particular focus on the medium term (2025-2027). The analysis outlined three key shifts, related to: (1) expectations on products and services, (2) expectations on data centers and networks, and (3) expectations related to the company's overall resilience. The work was overseen by group-level representatives from Sustainability, Finance, Strategy and Risk Management to ensure that adjustments are made in the respective areas of work.

In short, Telia found:

Policy/legal

- New policy and legal requirements are currently very much driven by the EU Green Deal, the EU Circular Action Plan and related national

legislation. Several new and upcoming laws are making previous voluntary work mandatory, loopholes are being closed and transparency requirements aim to make the environmental performance of companies/ products/ services comparable. Telia expects these changes to increase the return on investments in sustainability-related work and make greenwashing and "lighter" sustainability work more difficult and subject to penalization.

In addition to legislation targeting all large companies (such as CSRD and CS3D), ICT/ telcos are targeted specifically in relation to, for example, the energy efficiency of data centers, eco-design and the energy efficiency of mobile phones, the "right to repair" electronics, transparency, and other requirements regarding the environmental impacts of networks. High reputational risks, rather than fines, are expected for laggards and cases of non-compliance.

Market

- Telia notes and expects increasing investor expectations and interest in its climate work, both related to the reduction of its negative carbon footprint and its ability to enable customers to reduce emissions through digitalization. The Sustainable Finance Reporting Directive (in force from 2024) aims to redirect capital to sustainable economic activities and will gradually start impacting access to capital. This is already materializing through growing interest in green bonds and sustainability-linked loans, as well as more granular requests from ESG rating agencies, analysts and lenders
- Results from the 2023 SB Insights B2C study highlight climate and circularity among the top three prioritized topics for consumers across Telia's markets. There are certain differences between the Nordic and Baltic markets, with Nordic customers having the highest expectations on climate performance to date
- Business customers are raising the bar as they move from ambitions to action and increasingly seek advice on how they can lower their footprint through low-carbon, energy-efficient and circular products, as well as digital services that drive efficiencies. Such opportunities are increasing as 5G networks expand. CSRD preparations accentuated the trend within the B2B segment in 2023

Reputation

- Telia's customer surveys show high levels of trust in the company and the telecoms sector is connected to relatively low negative associations. The ability to become low-carbon, energy-efficient and circular is expected to determine the future reputations of both individual companies and the industry

Technology

- High-quality connectivity and digital solutions are crucial to enable a transition into a net-zero economy. Final impacts will also depend on how technology is deployed, if suppliers manage to transform to low-carbon and circular economies, as well as the sector's ability to handle conflicting goals. As an example, regional autonomy ambitions for security reasons may drive increasing infrastructure needs locally. Moreover, new technologies will be required to, for example, generate greater energy efficiencies and higher recycling rates for hardware

Telia expects these transitional trends to intensify until 2025/2027, prompting it to prioritize the risks and opportunities listed in the table on page 125. Uncertainties relate to the pace of change, which may be affected by the current economic downturn, social tensions, the level of ambition of next years' government policy, and the frequency and severity of extreme weather events.

Impact on strategy

The ongoing trends described above confirm the importance of Telia's climate and circularity goals being embedded in the business strategy, which in turn impacts various aspects of the company's business, as well as underlying area-specific strategies and ways of working. Here are a few examples:

- Own operations: Telia's environmental goals have led to an 87% reduction in emissions related to energy and fuel (scope 1 and 2) since 2018. The company is continuing its efforts to reduce emissions further and has mapped which steps to take to achieve a 90% reduction by 2030 at the latest (base year: 2018)
- Supply chain management: Emission reductions in Telia's supply chain play a key role in the company achieving its goals. Hence, climate performance is embedded in Telia's supplier selection and engagement processes, whereby the company requests that suppliers set science-based targets. In 2023, Telia continued to design more detailed strategies related to two of the biggest emission cluster areas: network equipment and terminals/mobile phones (see page 82). In several areas, Telia works with peers to generate an industry shift (see example of Eco Rating of smartphones and GSMA collaboration related to circular approaches to networks on pages 77 and 85). Telia believes an "all company" approach is the best way of securing top management commitments and substantial reductions, while also increasing the resilience in its supply chain, rather than zooming in on specific product/service deliveries
- Investments and product development: Investment decisions related to product development and other areas are preceded by environmental screening covering the impact on emissions, energy and waste. In addition, during the 2021-2023 strategy period, Telia scaled circular business models and sales of enablement products/services. In 2023, the company's product developers identified the most material products and services to focus on until 2026 and worked to set reduction plans for those categories. Materiality was based on the GHG footprint, upcoming legislation and customer demand for better low-carbon, energy-efficient and circular products, and associated data

In 2022, Telia created a modelling tool together with Accenture to assess how its current targets and various external factors, such as expected legal developments and the pace of the shift to renewable energy, electrification and digitalization, may impact its ability to achieve its goals. The tool is used to assess the impacts of various future scenarios related to such drivers. The 2022 exercise demonstrated that, based on Telia's current assumptions, external drivers will significantly contribute to emission reductions, which adds to the expected effects from the company's current climate goals. However, to achieve its goals, Telia needs to accelerate the pace of reductions in its supply chain, as well as a larger net-zero and circular shift in the broader society. In 2023, the company integrated the conclusion of this exercise in its work to set its business strategy for 2024-2026, with increased focus on circularity and more detailed plans for its product portfolio.

Risk and opportunity overview
Telia sees business opportunities in the transition into the low-carbon economy and acknowledges that they could become risks if they are not managed successfully. The inherent risks are managed through various mitigation activities, as listed in the table below.

Material* transition and physical risks and opportunities	Risk and opportunity description	Telia's response to mitigate risk or manage opportunity
Digital solutions with enablement effect	There is an opportunity to strengthen the relevance of Telia's product portfolio and ability to be a preferred partner of choice within the B2B segment. This involves capturing opportunities to scale impact by enabling customers to decarbonize through some of the company's IoT and smart grid connectivity services and solutions and communicating this increased value to customers	Telia shall scale the digital solutions that enable customers and society to decarbonize. For example: • Smart buildings • Smart transport • Telia's Travel Emissions Insights
Product portfolio	There is a risk in not having a product portfolio that meets stakeholders' expectations on low-carbon, energy-efficient and circular products and services, including an inability to provide customers with coherent and substantiated environmental information in customer touchpoints	Telia shall ensure that selected material products and services become low-carbon, circular and energy-efficient, and shall communicate its product/service carbon footprint to customers. For example: • Device as a Service • Refurbished phones • Circular router • Business messaging • Net-zero requirement on suppliers to have verified science-based targets and a decarbonization plan demonstrating the trajectory to the targets
Energy strategy	There is a risk in not having a resilient energy strategy, including increasing energy efficiency, securing renewable energy supplies at predictable costs and addressing the remaining CO_2 emissions from energy, with clear communication around Telia's growing energy consumption	Telia shall ensure that it has a robust, resilient energy strategy, including but not limited to: • Legacy network dismantling • Modernization of networks • Low-carbon, circular and energy-efficient network equipment • Explore its role in the wider energy system (battery storage, peak shaving, feeding back to the grid, reuse of excess heat, etc.)
Extreme weather events	There is a risk of increasing costs and loss of assets due to physical climate risks/extreme weather events such as heatwaves, high wind speeds and precipitation	• Disruption risks are continuously monitored and handled via Telia's service continuity management process: • Preventive actions are taken based on experiences from previous extreme weather events.

* Materiality was assessed using Telia's risk heat map. Risks and opportunities that were categorized as "high" or "very high" are considered material.

Impact on financial planning
Financial planning is affected by Telia's various initiatives – for example, purchasing of renewable electricity and long-term power purchasing agreements, as well as investments in energy-efficiency measures, the development of new products and offerings (continuous development of Telia's IoT platform, cloud and crowd insights offerings, circular business models such as Device as a Service (DaaS) and internal loop for refurbished mobile phones). Some initiatives, such as the purchasing of guarantees of origin, generate extra costs, while others, such as refurbishment and energy-efficiency initiatives, reduce costs or generate increased or new revenue as they generate extra value for Telia's customers. Two examples are DaaS, whereby Telia simplifies the lives of its customers while limiting environmental impact and IoT offerings that strengthen Telia's ambition to be its customer's digital partner of choice.

Physical risks
Identification of risks and opportunities
During 2021, Telia carried out its first physical climate risk assessments in all its markets, based on analysis provided by the Swedish Meteorological and Hydrological Institute. The analysis involved climate modelling of three representative concentration pathways (RCPs) by the UN Intergovernmental Panel on Climate Change through three reference periods (2011-2040, 2041-2070 and 2071-2100). The selected scenarios (RCP2.6, RCP4.5 and RCP8.5) cover a wide range of variations regarding future concentrations of greenhouse gases in the atmosphere and their impacts on indicators such as annual average temperature and heatwaves, annual maximum wind speed, annual average precipitation and daily maximum precipitation.

The analysis shows differences among the various reference periods and scenarios for the indicators analyzed. A few conclusions:

- *Heatwaves*: The yearly average temperature is rising globally and will increase across the Nordic and Baltic regions, especially in northern Sweden. Warmer yearly average temperatures will also increase the frequency, duration and intensity of heatwaves in the summer. Generally, the northern regions are projected to warm more than the southern regions, and inland regions are projected to heat up more than coastal regions. The results consistently show a higher temperature increase for the later time periods
- *Wind speed*: Annual maximum wind speed is affected by a complex set of variables that control storm paths, strength and frequency, resulting in greater uncertainty in comparison to other climate indicators
- *Precipitation*: Changes in precipitation are expected to be small in the earlier time frames, with increasing risks in the later period

In 2023, Telia completed this high-level analysis with site-specific assessments related to data centers to better understand risks and add to ongoing continuity work related to the sites.

Impact on strategy and financial planning
Potential implications of the changes outlined above are, in most cases, related to disruptions (power outages and connection losses), which Telia works with systematically within Service Continuity Management, regardless of the cause – see the **Privacy and security** and **Responsible sourcing** chapters for further information (the latter for information about work to prevent disruption of supply). To date, the organization's experiences of extreme weather have shaped preventive actions in Telia's markets. In 2023, the company further explored the eventual risks related to the network equipment it purchases.

To date, the above-mentioned processes and activities are part of continuous work and are financed as such, without any specific climate-related financing or inclusion in financial planning.

Risk management

Processes for identifying and assessing climate-related risks
Over the past few years, Telia has taken several steps to integrate climate into its risk management processes:

- In 2018/19, Telia conducted a materiality assessment that preceded the adoption of its 2030 climate goals for the value chain
- In 2020, Telia further mapped and calculated its climate and waste impacts, as well as its enablement effect, to better understand the size of the risks and opportunities, which informed more detailed target setting for 2023 and 2025
- In 2021, Environment (Climate and circularity) was selected as one of the Principal Risk areas that are covered in Telia's **Enterprise Risk Management (ERM) Framework**, which is used to regularly identify, analyze, assess and report risks and uncertainties. As part of the ERM process, the overall maturity level of the environmental work is regularly assessed in a structured way using the same model that is applied for all Principal Risk areas at Telia. In 2021, Telia also conducted its first physical risk assessment
- In 2022, Telia set up a cross-functional transition plan working group to regularly assess climate-related risks and opportunities, with a delivered its first report to GEM
- In 2023, Telia incorporated the more detailed outcome into its Enterprise Risk Management setup and the five key risk areas now shape the structure of the company's regular risk reporting to management and the Board, which takes place twice a year. The double materiality assessment conducted during the year enabled Telia to assess the inherent impacts, risks and opportunities in a more detailed manner, whereas the residual risk levels associated with its climate risks are reported to management and the Board to support continuous business strategy development and enable decision-making when needed. Telia's ERM heat map is used to assess the financial risk level based on assumptions regarding financial, strategic, regulatory, customer experience and reputational impacts.

Processes for managing climate-related risks
Risks and opportunities that Telia identifies are integrated into its business strategy. The company's targets, policies and instructions related to climate/environment provide the ambition level as well as further guidance. Execution is handled either through Telia's environmental program or through integration into key processes for suitable work areas such as service continuity management and product development. Regular following up of progress towards goals enables relevant decision-making forums at Telia to initiate additional work or adapt their strategies.

Metrics and targets

Telia is aiming for net-zero emissions by 2040, a target that was approved by the Science Based Targets initiative (SBTi) in 2023. The company adopted its 2030 targets in 2019 and its 2025 science-based targets in 2020, aligned with the

ICT sector's 1.5°C pathway. In 2023, Telia added a new scope 1 and 2 target: to reduce GHG emissions by 90% by 2030 compared to 2018.

The metrics used to track progress are:
- Scope 1, 2 and 3 emissions according to the GHG protocol (see page 113)
- Enablement reporting developed with the Carbon Trust consultancy (see page 116)
- Taxonomy eligibility and alignment for data centers (8:1) and enablement services (8:2) (see page 116)
- Impact level in Telia's ERM Risk Scoring (very high, high, medium or low) and related maturity assessments (see table on page 109)

A full overview of metrics, targets and progress to date is available in the **Climate and circularity** chapter and in the earlier parts of this note.

S5 Digital inclusion

See the **Digital inclusion** chapter for more information.

The key pillars of Telia's Digital inclusion strategy are:
1) providing reliable access to connectivity and
2) building digital skills.

Both are measured via KPIs, where possible.

Providing reliable access
Progress on efforts to ensure reliable access is measured through KPIs for population coverage and network quality perception — the latter via surveys (OpenSignal, Umlaut and others).

In addition, Telia aims to increase access to its services for individuals with disabilities (no quantifiable KPI available).

Building digital skills
Reach refers to the number of individuals that Telia has reached via its digital inclusion initiatives. Individuals covered are those who risk being disadvantaged, digitally excluded, or placed in a vulnerable situation. To put the company's goal of reaching 2.2 million people into context, Telia had 18.6 million mobile subscriptions in 2023.

The initiatives in question raise awareness about risks and opportunities in the online world with the aim of building digital skills. The former is essential to build the latter.

Currently, the key target groups are:
- Seniors (to ensure they have access to essential services such as health care and banking)
- Children (to ensure they are well equipped in the online world). Telia also aims to reach children's parents and teachers, who play a key role in skills-building and empowerment
- Immigrants (to remove barriers as they enter highly digital societies)
- Women (to re-skill them and increase equality in the technology sector)
- SMEs (to ensure they do not lag behind in areas such as cybersecurity due to limited digital maturity)

Both physical and digital channels are used. Formats and channels are shaped by target group needs and the potential they offer to reach specific groups of individuals.

The vast majority of Telia's initiatives are conducted in collaboration with important stakeholders or partners such as municipalities (for seniors) or organizations that specialize in specific topics (such as child rights organizations). Initiatives are accounted for if there is an important/substantial contribution from Telia either as an initiator, or through a financial or in-kind contribution.

Reach by digital inclusion initiatives includes direct reach (number of participants in face-to-face training programs, seminars, workshops, or other digital skills-building events) and indirect reach (number of unique viewers of specific websites with digital skills-building guide materials, number of downloads of educational apps, number of receivers of printed digital skill guide materials, number of participants in webinars, etc.). For further details, please refer to Telia's sustainability reporting framework

In 2023, Telia finalized a project in collaboration with Malmö University to develop a model for measuring the impact of a selection of Telia's digital inclusion initiatives. During 2023, Telia evaluated four initiatives with the support of this model: Digital in Sweden (Sweden), Women in Tech (Estonia), Augu Internete/Growing up Online (Lithuania) and Workshops for seniors (Finland). During the year, a researcher from Jönköping University also studied the Mobile Driving Licence initiative for children in Sweden. Telia has previously conducted impact assessments for three initiatives: Digital Senior in Sweden (2018, with a university partner); Greatest Courage in Estonia (2021, with a consultancy specializing in social impact measurement); and Women Go Tech in Lithuania (2021, by WGT itself). For additional information about Telia's initiatives, visit the **website**.

S6 Privacy and security

See the **Privacy and security** chapter for more information.

Personal data and personal data breaches are defined as per GDPR Article 4. Data breach notification obligations are outlined in GDPR Article 33.

Right of access requests are defined as per GDPR Article 15.

As the processes of some business units (TV and Media) differ from Group processes (regarding, for example, right of access requests and personal data breaches), such reported statistics do not include cases from these units.

S7 Human rights

See the **Human rights** chapter for more information.

Salient human rights issues
Salient human rights issues – listed in the Human rights chapter of this report – are defined as per the UN Guiding Principles Reporting Framework: "the issue at risk of the most severe negative impact through the company's activities and business relationships." Identification of the most salient issues focuses on risk to people based on likelihood and severity. The latter is defined by:
- Scale (gravity of human rights impact)
- Scope (number of people who have or could be impacted)
- Remediability (can the impact be put right or not)

Salience is reviewed as part of Telia's broader process to determine materiality (see **Sustainability note S3**) and further analysis is conducted by the company's Human Rights Core Team, which includes internal experts on various human rights areas. These experts regularly consult with and receive input from external partners and networks that Telia participates in. Examples include:
- Children's rights organizations such as World Childhood Foundation (on topics related to children's rights, including the spread of child sexual abuse materials)
- The Global Network Initiative (on freedom of expression and privacy)
- Union representatives (on labor rights, including risks of discrimination)
- Internal and external diversity networks (on topics related to diversity and inclusion)
- Audit results through Joint Audit Cooperation (on labor rights in supply chains, including forced and child labor)
- Continuous interactions with other experts as needed, including authorities such as local data protection boards on privacy matters
- The BSR global non-profit organization for sustainability expertise on a broad range of topics

Access to remedy
Telia may learn about human rights risks or harm through its Speak-Up Line, but also through other channels such as customer care, audits conducted by its sourcing department, employee complaints processes, etc.

Telia's Speak-Up Line serves as its operational level grievance mechanism and is available in several languages to both internal and external stakeholders.

Telia provides remedies such as:
- Restitution – as in the case of privacy incidents by, for example, deleting or requiring others to delete unlawfully disclosed personal data or by correcting erroneous personal data
- Satisfaction – as in the case of privacy incidents and customer complaints more broadly by investigating and acknowledging the harm done and providing an apology directly to the customer and/or via the media. All customer complaints are assessed with the purpose of preventing any future harm
- Compensation – as in the case of privacy incidents, in accordance with either agreements or GDPR
- Guarantees of measures and non-repetition – as in the case of privacy and security incidents by, for example, improving internal guidelines and processes, or in the case of employee issues through, for example, taking disciplinary action

Media freedoms
For information about Telia's commitment to media freedoms, please refer to **Group Policy Media Owner Commitments**, which defines Telia's commitments in relation to the free flow of information, freedom of expression, freedom and independence of mass media and an open and democratic society.

S8 Freedom of expression and government surveillance

See the **Freedom of expression and government surveillance** chapter for more information. Definitions of the authority request categories are available in **Telia's Sustainability Reporting Framework**.

In its Law Enforcement Disclosure Reports (LEDRs), Telia publishes detailed statistics on conventional requests, as well as the approximate number of unconventional requests. The 2023 report includes statistics regarding conventional requests from 2021 to 2023. A summary of Telia's LEDR report is presented on the next page as part of the external assurance.

Figures both on the following page and in the LEDR show the number of day-to-day conventional requests from authorities – not the number of individuals to whom they relate. Comparisons between markets should be avoided due to differences in market share as well as the working methods of both the authorities and Telia locally. For more information about definitions, data sources and the main challenges, see Appendix 2 in the LEDR. For statistics before 2021, please see Telia's **resource page** for Law Enforcement Disclosure Reports.

Authority requests

NB: Direct access is not included in the statistics.

Denmark

	2023	2022	2021
Lawful interception	5,902	4,676	4,310
Historical data	1,590	1,442	1,745
Subscription data	9,398	10,275	7,386
Challenged/ rejected requests	38	21	0

Estonia

	2023	2022	2021
Lawful interception[1]	No statistics	No statistics	No statistics
Historical data	22,382	7,974	8,835
Subscription data[2]	946,028	670,909	695,335
Challenged/ rejected requests	13	13	20

1) Telia Estonia is not able to provide statistical information on the number of lawful interception requests because intercepted numbers and the log of requests are encrypted as mandated by the Electronic Communication Act.
2) The 'subscription data' category includes all requests for subscription data. For other countries, the corresponding figure covers only requests that are handled by authorized personnel, as well as automated requests that refer to criminal cases.

Finland

	2023	2022	2021
Lawful interception[1]	12,263	8,178	6,414
Historical data	6,905	4,982	4,885
Subscription data	13,584	11,109	10,023
Challenged/ rejected requests[2]	144	75	64

1) Telia Finland's internal system for the logging of lawful intercept requests has been changed. Until March 2021, one individual lawful interception request was registered as one request, even if it included many types of surveillance measures upon a person. Following the system change, each type of surveillance measure is counted individually. This leads to an increase in the number.
2) Note that, in most cases, 'challenged/rejected requests' relate to erroneous target information from the police.

Lithuania[1]

	2023	2022	2021
Lawful interception	No permission to publish	No permission to publish	No permission to publish
Historical data	81,312	97,926	110,138
Subscription data	71,393	78,262	96,638
Challenged/ rejected requests	39	24	34

1) Telia Company and Telia Lithuania have not been granted permission to compile and publish their own statistics regarding how many lawful interception requests were received in Lithuania. See page 11 in the full LEDR report for further information.

Norway

	2023	2022	2021
Lawful interception	1,327	953	1,067
Historical data	4,273	4,638	4,331[1]
Subscription data	9,885	9,796	9,419
Challenged/ rejected requests[2]	59	71	14

1) From the second half of 2021 onwards, Telia Norway has included manual emergency positioning requests, in accordance with the applicable definition of 'historical data'. The numbers might therefore be slightly higher than before.
2) 'Challenged/rejected requests' refer to invalid requests due to administrative form errors.

Sweden

	2023	2022	2021
Lawful interception	4,166	3,729	3,258
Historical data	9,138	7,308	7,142
Subscription data	5,757	3,481	3,074
Challenged/ rejected requests	220	197	190

S9 Diversity, equity and inclusion

See the **Diversity, equity. inclusion and well-being** chapter for more information. Complementary information is available in the People section of the Board of Directors' Report.

In many of its markets, Telia is not allowed to track the region of birth of its employees. However, in Sweden Telia can get aggregated data on the region of birth by providing personal identity numbers to the Central Bureau of Statistics (SCB). The outcome is presented on page 101.

Region of birth, as defined by Sweden's Central Bureau of Statistics (SCB), is determined by the individual's place of birth and the parents' place of birth. This defines Swedish background as an individual born in Sweden with one or two parents born in Sweden and Non-Swedish background as an individual born outside of Sweden or born in Sweden with two foreign-born parents. Data for Telia in Sweden is presented according to the definition provided by SCB. Please note that data for GEM and the Board only considers where the individual was born.

S10 Health and well-being

See the **Diversity, equity, inclusion and well-being** chapter for more information.

As a result of different HR systems, sickness absence figures are not available for Lithuania. For more information about calculation methods and definitions, see **Telia's Sustainability Reporting Framework**.

Sickness absence
The sickness absence rate (SAR) represents the percentage ratio of absence days related to sickness per days of total contractual work time.

Sickness absence rate (%)	2023	2022
Denmark	2.9	3.2
Estonia	1.7	2.0
Finland	2.6	2.8
Norway	5.4	5.4
Sweden	2.3	2.7
Weighted average, all countries	**2.8**	**3.0**

Telia's target is to maintain lower sickness absence rates than the national industry average. Monitoring of the sickness absence rate is crucial, and actions are taken locally when there is an increase.

Lost-time injuries
The lost-time injury frequency (LTIF) figure represents the number of injuries resulting in absence from work per million theoretical work hours.

Lost-time injury frequency	2023	2022
Denmark	0.00	2.72
Estonia	0.93	0.30
Finland	0.48	0.12
Lithuania	0.16	0.00
Norway	0.22	0.00
Sweden	0.44	0.00
All countries	**0.40**	**0.17**

In Telia's industry the overall accident rate is low. To illustrate what the data above represents, Finland's score of 0.48 means that there were four reported accidents resulting in sick leave in that market during 2023. Telia's target is to have an LTIF lower than 0.52. However, the main focus is to monitor activities and take immediate action if the LTIF changes significantly.

S11 Legal compliance

For information about legal cases and proceedings, see **Note C30** in the Consolidated financial statements. This includes significant legal cases and proceedings relating to, for example, business ethics, environmental and socioeconomic compliance, if such cases exist.

S12 Child, forced and compulsory labor

Supplier requirements regarding child, forced and compulsory labor are included in the Supplier Code of Conduct and in the in-depth due diligence assessment. Suppliers are expected to enforce and verify compliance with Telia's requirements within their own operations and through their supply chains, and in Telia's audits such processes are assessed.

Independent human rights impact assessments carried out in 2017 for one of Telia's operations in the Nordics (Telia Sweden) and one in the Baltics (Telia Lithuania) indicated that the use of child, forced and compulsory labor was highly unlikely in Telia's markets. Telia's conclusion is that this still applies.

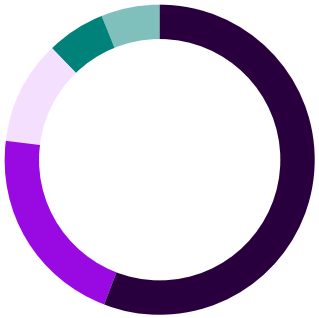
During the year, no cases of child labor were identified via Telia's audits of its first tier of suppliers. Audits conducted by JAC in lower tiers of suppliers identified that child labor findings were, in general, consistent with themes found across industry audits. These relate to suppliers having inadequate company policies on the topic, lack of personnel records or young workers who are of working age but are found to be performing night shifts or hazardous work.

A general statement regarding the UK Modern Slavery Act is available on **Telia's website**. The statement provided on the website is not part of the sustainability report and has not been subject to limited assurance.

S13 Responsible tax practices

Transparent, fair and ethical tax practices form part of Telia's basis for business operations. The company works according to internal control procedures, such as its Group tax instruction, and complies with local legislation and internationally accepted principles to pay the amount of taxes legally due in any territory.

Total tax contribution



- Net VAT paid **56%** [1]
- Employee taxes paid **21%**
- Employer taxes paid **11%**
- Corporate income taxes paid **6%**
- Non-tax-based fees **6%** [2]

1) If a Telia entity was in a recovery position regarding VAT or other indirect taxes, this would reduce the total amount of net VAT paid. The net VAT paid, or the total tax contribution as such, does not capture our irrecoverable VAT.
2) Non-tax-based fees are governmental fees that are not defined as taxes, for example spectrum fees.

In addition to corporate income tax payments, Telia generates billions of SEK in other tax payments and non-tax-based fees such as licenses and spectrum fees throughout its footprint. The total tax contribution in 2023, including both taxes borne and taxes collected, amounted to SEK 20.8 billion (19.1).

Corporate income taxes paid SEK million	2023	2022	2021
Denmark	0	-21	3
Estonia	115	78	49
Finland	93	145	30
Latvia	15	-5	7
Lithuania	120	14	68
Norway	622	676	585
Sweden	336	683	1,188
Turkey	2	11	1
Other countries	1	0	2
Total, continuing operations	**1,304**	**1,581**	**1,933**
Denmark	0	-56	-10
Sweden	0	7	23
Total, discontinuing operations	**0**	**-49**	**13**
Total	**1,304**	**1,532**	**1,946**

S14 Electromagnetic fields (EMF)

When Telia builds mobile networks, the health and safety of the public, employees, and contractors come first. The company's work is governed by the Group policy – Electromagnetic fields (EMF). When constructing radio networks and selling mobile devices, Telia adheres to local norms maintained by authorities, based on guidelines from the World Health Organization (WHO) and the International Commission on Non-Ionizing Radiation Protection (ICNIRP).

In the current 5G deployment across the Nordics and Baltics, Telia follows the ICNIRP guidelines, which were updated in 2020 to include 5G frequencies (also called "5G spectrum"). 5G technology is, to a large extent, built on the same infrastructure as previous generations of mobile networks, such as 3G and 4G, and the equipment used adheres to the same strict EMF requirements and exposure limits. During network planning, Telia ensures that equipment is placed in such a way that it complies with applicable regulations on exposure limits. If necessary, the company carries out on-site measurements to verify that regulations are met.

Both independently and through industry organizations, Telia continuously engages with key stakeholders such as local and national authorities to clarify concerns or questions from the public and to ensure that the authorities have relevant information about how Telia builds its networks according to EMF guidelines. More information on EMF is provided on local websites and **Telia Company's website**.

S15 Sponsorships, donations and disaster relief

Sponsorships
To ensure that sponsorships and donations are conducted in an ethical and compliant manner, they are governed by Telia's Group Instruction – Sponsorships and donations. As sponsorships and donations can be used to facilitate corrupt practices, the Instruction includes strict requirements. All sponsorships and donations must be documented to reflect their purpose and recipients undergo documented due diligence. Political donations are strictly forbidden.

The general principle is to sponsor or partner with organizations to support long-term activities, linked to digitalization and Telia's geographical presence.

Donations and disaster relief
Telia provides short-term philanthropic donations such as financial or in-kind support for disaster relief or other extraordinary circumstances. Substantial financial donations during the year included those made to World Childhood Foundation and Bris, a Swedish children's rights organization. Read more in the **Children's rights** chapter.

Telia is always prepared to participate in disaster relief or crisis support, primarily through the use of its networks, products and services. Common measures include reduced tariffs or support with additional network capacity. During 2023, the company continued to provide connectivity to Ukraine at reduced rates in all of its markets.

S16 Whistleblowing cases

For more information about the whistleblowing process and channel, see the **Whistleblowing and Speak-Up Line** chapter in the Enterprise Risk Management (ERM) and Compliance Framework section.

During the year, 174 (103) reports were recorded in the Speak-Up Line whistleblowing channel, of which 30 (50)% were filed anonymously. The most commonly reported issues related to allegations of poor leadership, harassment and fraud. Reports were received via the Speak-Up Line portal or email address (which are available to both employees and third parties), through direct contact with group or local ethics and compliance officers, and via line managers. In 2023, in conjunction with the rollout of its updated Code of Conduct and reinforcement of the Supplier Code of Conduct, Telia worked on increasing awareness of the Speak-Up Line and making it accessible and easier to use.

Consolidated case reports were presented to the Audit Committee of the Board throughout the year. The reports included significant allegations, progress and the final results of investigations.

A summary of cases is provided to the right. The TV and Media business unit uses a different provider for whistleblowing reports in order to protect the dividing line between editorial work and Telia as a media owner. Reporting and investigations within the TV and Media unit are carried out in line with Telia's defined whistleblowing process, but Telia does not have any insight into the investigations conducted. All whistleblowing reports from the TV and Media business unit are, however, included in the following statistics.

Number of whistleblowing case reports	2023	2022
Business ethics-related (e.g., fraud, corruption), handled by the Special Investigations Office	29	32
Human resources-related (e.g., harassment, poor leadership), handled by Group or local Human Resources investigators	46	41
Other or incorrectly reported (e.g., customer or supplier complaints), sent to be handled by the relevant function	99	30
Total	**174**	**103**

Reporting channel (%)	2023	2022
Speak-Up Line portal	81	88
Sent to the Speak-Up Line email address	16	8
Direct contact with ethics and compliance officers at Group or local level	2	2
Line managers	1	2

Internal investigation KPI (%)	Target	2023	2022
Whistleblowing cases closed within eight weeks*	80	72	79

* Investigations are considered closed when a final report has been delivered by the case manager or lead investigator, such as local ethics and compliance officers or the Group Special investigations office, to appropriate management (determined on a case-by-case basis).

S17 Mergers and acquisitions

Mergers and acquisitions (M&As) are guided by the M&A Instruction and by the M&A handbook, which describes the M&A process in majority transactions, both acquisitions and divestments. It includes general guidance on ethics and compliance as well as sustainability-related topics.

Significant divestments during the year
Telia Denmark – announced and signed in 2023.

In September 2023, Telia Company announced that it had entered into a final and binding agreement to sell 100% of its operations and network assets in Denmark to Norlys a.m.b.a. (Norlys) at an enterprise value of DKK 6.25 billion, on a cash and debt-free basis. The transaction, first announced in April 2023, was in line with Telia's strategy to focus on markets in which there is a clear path to securing and defending leading market positions. The transaction is, among other things, subject to customary regulatory approvals, with closing expected in April 2024.

No significant acquisitions were made during 2023.

S18 Management systems

The Telia Management System is developed in accordance with several international standards, primarily for quality, environment, occupational health and safety and information security. The management system is certified according to several ISO standards, but certificate scopes vary according to market requirements. By year-end, the following certificates were available for each market. More information is provided on **Telia's website**.

	ISO9001 (Quality)	ISO14001 (Environment)	ISO45001 (Occupational Health & Safety)	ISO27001 (Information Security)
Telia Company AB	✔	✔		✔
Telia Denmark				
Telia Estonia	✔	✔	✔	✔
Telia Finland	✔	✔	✔	✔
Telia Lithuania	✔	✔	✔	✔
Telia Norway		✔	✔	
Telia Sweden	✔	✔		✔

In addition to the above ISO certificates, local energy management systems are in place for Sweden (STEMFS), Finland (EES+) and Estonia (ISO50001).

S19 Responsible sourcing

The goals and process described in the **Responsible sourcing** chapter cover parts of Telia's TV and Media unit. Purchases connected to editorial operations are, however, managed by the TV and Media unit, in a separate process, to safeguard the dividing line between editorial work and Telia as a media owner.

For information about how Telia works to prevent the use of conflict minerals, visit **Telia's website**.

Telia's sustainability index

To facilitate comparability and robust reporting, communicated information in this report is based on **Telia's Sustainability Reporting Framework**. The index below provides an overview of sustainability reporting areas with references to specific content in the report.

Standard sustainability information

Topic	Page reference
Organizational profile	
Markets served	108
Information on employees and other workers	34-35, 101
Supply chain	103-105
Significant changes to the organization and its supply chain	132
Precautionary principle or approach	115
External initiatives and memberships	77
Strategy	
Statement from senior decision-maker	4-5
Key impacts, risks, and opportunities	109-111
Ethics and integrity	
Values, principles, standards, and norms of behavior	58- 59, 79
Mechanisms for advice and concerns about ethics	63, 78, 93, 132
Stakeholder engagement	
Stakeholder engagement approach and outcome	77, 108-112

Topic	Page reference
Governance	
Governance structure	52-57, 78, 108
Composition of the highest governance body and its role and responsibilities	66-71
Identifying and managing economic, environmental, and social impacts	61, 74-75, 108-112
Effectiveness of risk management processes	61-62
Review of economic, environmental, and social topics	78
Communicating critical concerns	78
Remuneration policies and processes	36-37, 56
Reporting practice	
Entities included in the consolidated financial statements	39-46, 236
Defining report content and topic boundaries	108
List of material topics	74-75, 108-112
Restatements of information	115
Contact point for questions regarding the report	108
External assurance	260

Specific sustainability information

Topic	Page reference
Anti-corruption	106, 111
Child labor, forced or compulsory labor	130
Children's rights	94-96, 110, 130
Customer health and safety	131
Customer privacy	90-91, 109, 127
Diversity, equal opportunity and non-discrimination	99-102, 111, 130
Effluents and waste	81, 83, 85, 109, 115
Emissions	49, 81-84, 109, 113-115
Employment	34-35
Energy	81-83, 113
EU Taxonomy	116-122
Financial implications and other risks and opportunities due to climate change	123-127
Freedom of association and collective bargaining	34-35
Human rights, due diligence and impact assessments	92-93, 110, 128
Indirect economic impacts	131
Labor/management relations	34-35
Legal compliance	130
Local communities	87-89, 127
Occupational health and safety	102, 111, 130
Procurement practices (environmental, social and governance)	103-105, 111, 130
TCFD	123-127
Water and biodiversity	115

UN Global Compact

UN Global Compact ten principles	Page reference
Human rights	
1. Businesses should support and respect the protection of internationally proclaimed human rights in the spheres they can influence	92-93, 128
2. Businesses should make sure that they are not complicit in human rights abuses	92-93, 128, 130
Labour	
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	34-35
4. Businesses should work to eliminate all forms of forced and compulsory labour	103-105, 130
5. Businesses should work to abolish child labour	130
6. Businesses should eliminate discrimination in respect of employment and occupation	99-101, 130
Environment	
7. Businesses should support a precautionary approach to environmental challenges	115
8. Businesses should undertake initiatives to promote greater environmental responsibility	81-86, 113-127
9. Businesses should encourage the development and diffusion of environmentally friendly technologies	84, 116-122
Corruption	
10. Businesses should work against corruption in all its forms, including extortion and bribery	106, 132

EU Non-Financial Reporting Directive

Matter	Page reference
Environmental matters	81-86, 113-127
Social matters and treatment of employees	99-102, 130
Respect for human rights	92-93, 128
Anti-corruption and bribery	106
Diversity on company boards	101, 130

Financials

Consolidated statements of comprehensive income

SEK in millions	Note	Jan–Dec 2023	Jan–Dec 2022
Continuing operations			
Revenue	C5, C6	88,785	85,580
Goods and services purchased	C7	-33,770	-32,222
Personnel expenses	C32	-14,797	-13,512
Other external expenses	C7	-11,414	-11,696
Other operating income	C8	753	1,012
Other operating expenses	C8	-1,165	-1,031
EBITDA		**28,392**	**28,131**
Depreciation, amortization and impairment		-23,517	-37,445
Income from associated companies and joint ventures	C15	105	100
Operating income	C5	**4,980**	**-9,214**
Finance income	C9	1,165	336
Finance costs	C9	-5,041	-3,677
Income after financial items		**1,105**	**-12,555**
Income taxes	C10	-1,099	-1,355
Net income from continuing operations		**6**	**-13,910**
Discontinued operations			
Net income from discontinued operations	C34	891	-255
Total net income		**897**	**-14,165**

SEK in millions, except per share data	Note	Jan–Dec 2023	Jan–Dec 2022
Items that may be reclassified to net income:			
Foreign currency translation differences from continuing operations	C11	-1,624	2,367
Foreign currency translation differences from discontinued operations	C11	-22	181
Cash flow hedges	C11	-100	267
Cost of hedging	C11	-102	155
Debt instruments at fair value through OCI	C11	2	-7
Income taxes relating to items that may be reclassified	C10, C11	47	317
Items that will not be reclassified to net income:			
Equity instruments at fair value through OCI	C11	310	-52
Remeasurements of defined benefit pension plans	C11, C22	-2,253	4,759
Income tax relating to items that will not be reclassified	C10, C11	461	-964
Other comprehensive income (OCI)		**-3,280**	**7,022**
Total comprehensive income		**-2,383**	**-7,142**
Net income attributable to:			
Owners of the parent		303	-14,638
Non-controlling interests	C20	594	474
Total comprehensive income attributable to:			
Owners of the parent		-2,927	-8,007
Non-controlling interests		544	865
Earnings per share (SEK), basic and diluted, total	C20	0.08	-3.63
Earnings per share (SEK), basic and diluted, continuing operations		-0.15	-3.56
Earnings per share (SEK), basic and diluted, discontinued operations	C34	0.23	-0.06

Consolidated statements of financial position

SEK in millions	Note	Dec 31, 2023	Dec 31, 2022
Assets			
Goodwill	C12	43,777	50,583
Other intangible assets	C12	22,242	23,965
Property, plant and equipment	C13	70,181	74,824
Film and program rights, non-current	C14	2,931	2,299
Right-of-use assets	C28	16,823	16,549
Investments in associated companies and joint ventures	C15	1,190	1,053
Deferred tax assets	C10	1,183	1,071
Pension obligation assets	C22	3,020	4,653
Non-current interest-bearing receivables	C16	8,998	7,629
Other non-current assets	C16	2,532	2,465
Total non-current assets		**172,878**	**185,090**
Film and program rights, current	C14	2,851	3,022
Inventories	C17	2,307	2,918
Trade and other current receivables and assets	C18	14,433	14,991
Current tax receivables		147	225
Interest-bearing receivables	C19	13,896	9,676
Cash and cash equivalents	C19	11,646	6,871
Assets classified as held for sale	C34	8,310	-
Total current assets		**53,590**	**37,703**
Total assets		**226,468**	**222,793**

SEK in millions	Note	Dec 31, 2023	Dec 31, 2022
Equity and liabilities			
Equity attributable to owners of the parent		53,468	64,239
of which capital		*21,407*	*20,850*
of which reserves and retained earnings		*32,061*	*43,389*
Equity attributable to non-controlling interests	C20	3,526	3,434
Total equity		**56,994**	**67,673**
Non-current borrowings	C21	98,497	94,555
Deferred tax liabilities	C10	9,013	10,514
Provisions for pensions and employment contracts	C22	1,364	1,279
Other non-current provisions	C23	4,346	3,743
Other non-current liabilities	C24	2,098	2,289
Total non-current liabilities		**115,317**	**112,379**
Current borrowings	C21	14,069	7,007
Current provisions	C23	744	573
Current tax payables		913	755
Trade payables and other current liabilities	C25	34,263	34,406
Liabilities directly associated with assets classified as held for sale	C34	4,169	-
Total current liabilities		**54,158**	**42,741**
Total equity and liabilities		**226,468**	**222,793**

Consolidated statements of cash flows

SEK in millions	Note	Jan–Dec 2023	Jan–Dec 2022
Net income		897	-14,165
Adjustments for:			
Amortization, depreciation and impairment losses		24,185	38,936
Amortization and impairment losses for film and program right assets		5,908	5,557
Capital gains/losses on sales/disposals of non-current assets and operations		142	-72
Income from associated companies and joint ventures, net of dividends received		31	34
Pensions and other provisions		-1,093	-1,444
Compensation from the pension fund		900	900
Financial items		524	698
Income taxes		-92	-151
Miscellaneous non-cash items		-349	0
Cash flow before change in working capital		**31,053**	**30,294**
Increase (-)/Decrease (+) in film and program right assets		-471	-847
Increase (+)/Decrease (-) in film and program right liabilities		639	317
Increase (-)/Decrease (+) in operating receivables		-186	-524
Increase (-)/Decrease (+) in inventories		542	-793
Increase (+)/Decrease (-) in operating liabilities		-998	1,111
Change in working capital		**-474**	**-735**
Adjustment for amortization and impairment losses for film and program rights		-5,908	-5,557
Cash flow from operating activities		**24,671**	**24,001**
of which from discontinued operations		*1,432*	*1,523*
Intangible assets and property, plant and equipment acquired		-15,466	-15,908
Intangible assets and property, plant and equipment divested		38	137
Business combinations and other equity instruments acquired		-181	-58
Operations and other equity instruments divested		34	195
Loans granted and other similar investments		-3,944	-1,987
Repayment of loans granted and other similar investments		2,401	1,663
Net change in short-term investments		-4,940	6,021
Cash flow from investing activities		**-22,058**	**-9,936**
of which from discontinued operations		*-800*	*-762*

SEK in millions	Note	Jan–Dec 2023	Jan–Dec 2022
Cash flow before financing activities		**2,613**	**14,065**
Repurchased treasury shares including transaction costs		-	-5,521
Dividends paid to owners of the parent		-5,898	-8,252
Dividends paid to holders of non-controlling interests		-478	-473
Capital contributions non-controling interests		-	5,475
Proceeds from borrowings		13,877	15,746
Repayment of borrowings		-6,135	-24,083
Net change in current borrowings		-315	-232
Settlement of derivative contracts for economic hedges and CSA		1,602	-4,438
Cash received for repurchase agreements		1,824	38,033
Cash paid for repurchase agreements		-1,824	-38,033
Cash flow from financing activities		**2,653**	**-21,779**
of which from discontinued operations		*-142*	*-201*
Net change in cash and cash equivalents		**5,266**	**-7,714**
of which from discontinued operations		*489*	*560*
Cash and cash equivalents, opening balance		**6,871**	**14,358**
Net change in cash and cash equivalents for the year		5,266	-7,714
Exchange rate differences in cash and cash equivalents		-372	227
Cash and cash equivalents, closing balance	C19	**11,764**	**6,871**
of which from continuing operations		*11,646*	*6,871*
of which from discontinued operations		*118*	-

For more information on cash flow, see Note C31.

Consolidated statements of changes in equity

SEK in millions	Note	Share capital	Other contributed capital	Hedging reserve	Cost of hedging reserve	Fair value reserve	Foreign currency translation reserve	Equity transactions in associates	Retained earnings	Total owners of the parent	Non-controlling interests	Total equity
Closing balance, December 31, 2021		**13,856**	**12,472**	**-134**	**76**	**1,564**	**9,247**	**-2,945**	**46,595**	**80,731**	**2,812**	**83,544**
Dividends	C20	-	-	-	-	-	-	-	-8,252	-8,252	-433	-8,685
Share-based payments	C32	-	20	-	-	-	-	-	-	20	-	20
Repurchased treasury shares	C20	-	-5,499	-	-	-	-	-	-	-5,499	-	-5,499
Change in non-controlling interests	C20	-	-	-	-	-	-	-	5,255	5,255	190	5,445
Total transactions with owners		-	*-5,479*	-	-	-	-	-	*-2,997*	*-8,476*	*-243*	*-8,718*
Net income	C20	-	-	-	-	-	-	-	-14,638	-14,638	474	-14,165
Other comprehensive income	C11, C20	-	-	212	123	-58	2,559	-	3,794	6,631	391	7,022
Total comprehensive income		-	-	*212*	*123*	*-58*	*2,559*	-	*-10,844*	*-8,007*	*865*	*-7,142*
Cash flow hedge transfer to assets		-	-	-10	-	-	-	-	-	-10	-	-10
Closing balance, December 31, 2022		**13,856**	**6,994**	**68**	**199**	**1,506**	**11,807**	**-2,945**	**32,754**	**64,239**	**3,434**	**67,673**
Dividends	C20	-	-	-	-	-	-	-	-7,864	-7,864	-452	-8,317
Share-based payments	C32	-	24	-	-	-	-	-	-	24	-	24
Cancellation of treasury shares	C20	-534	534	-	-	-	-	-	-	-	-	-
Bonus issue	C20	534	-	-	-	-	-	-	-534	-	-	-
Total transactions with owners		-	*557*	-	-	-	-	-	*-8,398*	*-7,841*	*-452*	*-8,293*
Net income	C20	-	-	-	-	-	-	-	303	303	594	897
Other comprehensive income	C11, C20	-	-	-79	-81	311	-1,590	-	-1,792	-3,231	-50	-3,280
Total comprehensive income		-	-	*-79*	*-81*	*311*	*-1,590*	-	*-1,489*	*-2,927*	*544*	*-2,383*
Cash flow hedge transfer to assets		-	-	-3	-	-	-	-	-	-3	-	-3
Closing balance, December 31, 2023		**13,856**	**7,551**	**-14**	**118**	**1,817**	**10,217**	**-2,945**	**22,867**	**53,468**	**3,526**	**56,994**

Notes to consolidated financial statements

Contents

Note		Page
C1.	Basis of preparation	142
C2.	Judgments and key sources of estimation uncertainty	144
C3.	Material accounting policies	147
C4.	Group composition, climate related disclosures and events after the reporting period	156
C5.	Segment information	157
C6.	Revenue	160
C7.	Goods and services purchased and Other external expenses	162
C8.	Other operating income and other Operating expenses	162
C9.	Finance income and Finance costs	163
C10.	Income taxes	164
C11.	Other comprehensive income	167
C12.	Goodwill and Other intangible assets	168
C13.	Property, plant and equipment	172
C14.	Film and program rights	174
C15.	Investments in associated companies and joint ventures	175
C16.	Non-current interest-bearing receivables and Other non-current assets	176
C17.	Inventories	177

Note		Page
C18.	Trade and other current receivables and assets	177
C19.	Current interest-bearing receivables and Cash and cash equivalents	179
C20.	Equity and earnings per share	180
C21.	Non-current and current borrowings	182
C22.	Provisions for pensions and employment contracts	184
C23.	Other provisions	188
C24.	Other non-current liabilities	188
C25.	Trade payables and other current liabilities	189
C26.	Financial assets and liabilities by category and level	190
C27.	Financial risk management	196
C28.	Leases	205
C29.	Related party transactions	207
C30.	Contingencies, other contractual obligations and litigation	208
C31.	Cash flow information	210
C32.	Human resources	213
C33.	Remuneration to audit firms	218
C34.	Assets held for sale and discontinued operations	219

C1. Basis of preparation

General

The annual report and consolidated financial statements have been approved for issue by the Board of Directors on March 13, 2024. The income statement and the balance sheet of the parent company and the statement of comprehensive income and the statement of financial position of the group are subject to adoption by the AGM on April 10, 2024.

Telia Company's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU). In addition, concerning purely Swedish circumstances, the Swedish Financial Reporting Board has issued standard RFR 1 "Supplementary Accounting Rules for Groups" and other statements. The standard is applied by Telia Company and is applicable to Swedish legal entities whose securities are listed on a Swedish stock exchange or authorized equity marketplace at the end of the reporting period and specifies supplementary rules and disclosures in addition to IFRS requirements, caused by provisions in the Swedish Annual Accounts Act.

Measurement bases and accounting policies

The consolidated financial statements have been prepared mainly under the historical cost convention. Other measurement bases used, and applied accounting policies are described in Note C3.

Amounts and dates

Unless otherwise specified, all amounts are in millions of Swedish krona (SEK) or other currency specified and are based on the twelve-month period January 1 to December 31 for items related to comprehensive income and cash flows, and as of December 31 for items related to financial position. Rounding differences may occur. Any restatements of financial or operational data are disclosed if material.

Restatement of financial and operational data

Disaggregation of revenue has been restated as presented in the following tables to reflect an updated internal product hierarchy as well as updated, and between markets harmonized, product definitions. The main changes performed are reclassification of revenue from Mobile end user revenue to Broadband as well as from Other fixed revenue to Business solutions. Furthermore, as a result of various organizational changes, CAPEX excl. fees for licenses and spectrum and right-of-use assets and number of employees have been restated between segments for comparability.

	January-December 2022								
SEK in millions	**Sweden**	**Finland**	**Norway**	**Lithuania**	**Estonia**	**TV and Media**	**Other operations**	**Eliminations and other**	**Total**
Mobile end user revenue	-536	-540	1	-	-73	-	-	-	**-1,148**
Other mobile service revenue	0	291	0	-	0	-	0	-	**291**
Mobile service revenue	**-536**	**-249**	**1**	**-**	**-73**	**-**	**0**	**-**	**-857**
Telephony	88	-17	-	-	-	-	-	-	**71**
Broadband	710	483	112	-	69	-1	-9	-	**1,365**
Business solutions	786	754	-111	10	31	1	55	-	**1,526**
Other fixed service revenue	-1,048	-971	-2	-10	-27	0	-47	-	**-2,105**
Fixed service revenue	**536**	**249**	**-1**	**-**	**73**	**-**	**0**	**-**	**857**
Other service revenue	0	0	-	-	-	0	-	-	**0**
Total service revenue	**0**	**0**	**-**	**-**	**-**	**-**	**0**	**-**	**0**
Total external revenue	**0**	**0**	**-**	**-**	**-**	**-**	**0**	**-**	**0**
Internal revenue	0	-19	-	-	-	0	126	-107	**-**
Total revenue	**0**	**-19**	**-**	**-**	**-**	**-**	**126**	**-107**	**-**
Subscriptions, (thousands)									
Mobile	-201	-129	-	-	-34	-	-	-	**-364**
of which machine-to-machine (postpaid)	-	-	-	-	-	-	-	-	**-**
Fixed telephony	33	-	15	-	-	-	-	-	**48**
Broadband	123	129	-3	-	4	-	-	-	**283**
TV	-80	-	10	-	-	-	-	-	**-70**

Change in accounting principles

Classification of expenses by nature in statement of comprehensive income

As of January 1, 2023, Telia Company has changed the presentation of the statement of comprehensive income from a classification of expenses by their function to a classification based on their nature. The new presentation is deemed to provide reliable and more relevant information as a classification of expenses by nature provides more useful information to users of the financial statements about the key components and drivers of Telia Company's profitability, it better represents the way the business is managed and how management reports internally and classification of expenses by nature is more commonly used in the Telco industry. Comparative information has been restated to present classification of expenses by nature.

The new line-item Goods and services purchased includes goods and sub-contracting services purchased, change in inventories, interconnect and roaming expenses as well as other network expenses. The new line-item Other external expenses includes marketing expenses, IT expenses and consultancy fees and other external expenses. Personnel restructuring costs and impairment losses of goodwill previously presented within line-item Other operating expenses have been reclassified to the new line items Personnel expenses and Depreciation, amortization and impairment respectively. The new line-item Depreciation, amortization and impairment relates to property, plant and equipment, intangible assets and right-of-use assets. Amortization and impairment of film and program rights are included in the line-item Goods and services purchased and amortization of costs to obtain a contract is included in the line-item Other external expenses. For definition of the subtotal EBITDA see section Definitions.

Format and structure of financial instrument note disclosures

The format and structure for note disclosures related to financial instruments have been changed in order to provide more clear and relevant information.

Recently issued accounting standards

New and amended standards and interpretations effective in 2023

As of January 1, 2023, the following standards, amended standards and interpretations became applicable:

- IFRS 17 "Insurance contracts"
- Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 – comparative information"
- Amendments to IAS 12, "International tax reform-Pillar two model"
- Amendments to IAS 1 and IFRS Practice Statement 2, "Disclosure of accounting policies"
- Amendments to IAS 8, "Definition of accounting estimates"
- Amendments to IAS 12 "Deferred tax related to assets and liabilities arising from a single transaction"

IFRS 17 "Insurance contracts"

The new standard IFRS 17 "Insurance contracts" became effective January 1, 2023, and has been implemented by Telia Company. IFRS 17 is applicable for Telia Company's insurance contracts issued to customers via its insurance company Telia Försäkring AB. The insurance contracts refer to property insurance related to equipment sold to customers. The coverage period for these insurance contracts is less than one year and Telia Company accounts for these contracts applying the simplified Premium Allocation Approach (PAA) under which the insurance premiums received are recognized as a liability for remaining coverage and insurance revenue is recognized over the period when the insurance coverage is provided. Telia Company has also applied the exceptions for insurance contracts with a short coverage period under which the liabilities for remaining coverage and incurred claims are not discounted. The implementation of IFRS 17 has had no material impact on Telia Company's financial statements when the standard was applied for the first time and the insurance operation is limited.

Amendments to IAS 12 "International tax reform – Pillar Two model"

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions where Telia Company operates. The legislation will be effective for the group's financial year beginning January 1, 2024. Telia Company has applied the temporary exception from the accounting requirements for deferred taxes in IAS 12. Accordingly, Telia Company neither recognizes nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes. See Note C2 and C10 for assessment of Telia Company's Pillar Two income tax exposure.

Amendments to IAS 1 and IFRS Practice Statement 2, "Disclosure of accounting policies"

The amendments to IAS 1 and IFRS Practice Statement 2 "Disclosure of Accounting Policies" require disclosure of "material" accounting policies instead of previous "significant" accounting policies. Accounting policy information is considered material if it relates to material transactions, events or conditions and the accounting policy changed during the period, includes an accounting policy choice, is entity specific, relates to areas which requires significant judgments and assumptions or relates to complex accounting. Telia Company has adjusted the disclosures of the group's accounting policies in note C3 in accordance with these principles.

The other amended standards relevant to Telia Company are in certain cases in line with already applied interpretations and otherwise have had no or very limited impact on the financial statements.

New or amended standards and interpretations effective on or after January 1, 2024

Telia Company has not pre-adopted any of the new or amended standards effective on or after January 1, 2024. The following amendments, which will be applicable for Telia Company, are expected to have no or very limited impact on Telia Company's financial statements when they are applied for the first time:

- Amendments to IAS 1, "Classification of liabilities as current or non-current", effective January 1, 2024
- Amendments to IAS 1, "Classification of liabilities as current or non-current - deferral of effective date", effective January 1, 2024
- Amendments to IAS 1, "Non-current liabilities with covenants", effective January 1, 2024
- Amendments to IFRS 16, "Lease liability in a sale and leaseback", effective January 1, 2024
- Amendments to IAS 7 and IFRS 7, "Supplier finance arrangements", effective January 1, 2024

Other issued amendments are deemed not applicable for Telia Company.

EU endorsement status

As of the beginning of March 2024, amendments to standards and interpretations mentioned above had been adopted by the EU, except for amendments to IAS 7 and IFRS 7, "Supplier Finance Arrangements".

C2. Judgments and key sources of estimation uncertainty

Management believes that the following areas comprise the most difficult, subjective or complex judgments it has to make in the preparation of the financial statements.

For information on accounting policies applied, see the respective sections of Note C3.

Revenue recognition

For a telecom operator, if and when revenue should be recognized requires management judgment in a number of areas.

Principal or agent – gross versus net presentation

When the group acts as a principal, income and payments to suppliers are reported on a gross basis in revenue and operating costs. If the group sells goods or services as an agent (for example insurance in some countries) revenue and payments to suppliers are recorded in revenue on a net basis, representing the margin/commission earned.

Whether the group is considered to be principal or agent in a transaction depends on analysis by management of both the legal form and substance of the agreement between the group and its business partners; such judgments impact the amount of reported revenue and operating expenses but do not impact net income or cash flows.

Features indicating that the group is acting as a principal include: it has the primarily responsibility for fulfilling the promise to provide the goods or services, it bears the inventory risk, and the group has latitude in establishing prices or provides additional goods and services. If the group does not have control of the goods or services before they are transferred to the customer, it acts as an agent. For insurance services, the key judgement is based on whether Telia Company bears the insurance risk or not. Telia Company is deemed to be acting as an agent if it does not bear the insurance risk. For other types of digital value added services the key judgement is related to assessment of whether Telia Company has the primarily responsibility for fulfilling the promise to provide the service. In this assessment the terms of the contract, the way the service is sold, the level of interaction with the customer before, during and after delivering the service and the technical delivery of the service are considered among other things.

Bundling of products and services

In bundling of products and services, identifying performance obligations and determining the stand-alone selling prices requires management judgment. Revenue is allocated between the goods and services identified as a separate performance obligation based on their relative stand-alone selling price. The stand-alone selling price determined for goods or services may impact the timing of the recognition of revenue. Determining the stand-alone selling price of each performance obligation can require complex estimates if those are not directly observable. The group's estimation of stand-alone selling prices that are not directly observable are mainly based on expected cost plus a margin.

Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Significant management judgment is required in determining whether the contract is a lease or a service agreement. To determine if a contract is a lease an assessment of whether, throughout the period of use, the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. Especially for contracts for network related assets (technical space and technical equipment) where the contract is related to the use of a portion of a larger asset this assessment requires significant judgment and analysis of the contract terms and the facts and circumstances such as for example the technological aspects of the asset.

Lease term

Determining the lease term requires management judgment as the estimated lease term includes the non-cancellable period of the lease together with both periods covered by extension options, if the lessee is reasonably certain to exercise that option, and periods covered by termination options if the lessee is reasonable certain not to exercise that option. The threshold for reasonably certain is deemed to be higher than "more likely than not", but lower than "virtually certain" in IAS 37 "Provisions, contingent liabilities and contingent assets". Extension and termination options are included in a number of Telia Company's lease contracts throughout all asset classes across the group. When determining the lease term, Telia Company considers all facts and circumstances that creates an economic incentive to exercise an extension option, or not to exercise a termination option. Example of factors that are considered are; strategic plans, assessment of future technology changes, the importance of the underlying asset to Telia Company's operations and/or costs associated with not extending or not terminating the lease. Approximately 40% of Telia Company's lease liability relates to extension periods.

Discount rate

The future lease payments are discounted using either the interest rate implicit in the contract, if that rate can be readily determined, or the lesee's incremental borrowing rate. The incremental borrowing rate is defined as the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. For most contracts, Telia Company has discounted the future lease payments using the incremental borrowing rate. Determining the incremental borrowing rate requires management judgement. The incremental borrowing rate is based on Telia Company's external funding rate by currency and by duration of the estimated lease term. The rate is also adjusted for geographical risks and credit risks for the subsidiaries. For additional information on leases and carrying values, see Note C28.

Income taxes

Significant management judgment is required in determining provisions for deferred tax liabilities and assets, in particular as regards valuation of deferred tax assets. As part of this process, income taxes have to be estimated in each of the jurisdictions in which Telia Company operates. The process involves estimating the actual current tax exposure together with assessing temporary differences resulting from the different valuation of certain assets and liabilities in the financial statements and in the tax returns. Management must also assess the probability that the deferred tax assets will be recovered from future taxable income.

Actual results may differ from these estimates due to, among other factors, future changes in business environment, currently unknown changes in income tax legislation, or results from the final review of tax returns by tax authorities or by courts of law. For additional information on deferred tax assets and liabilities and their carrying values as of the end of the reporting period, see Note C10.

Valuation of intangible and other non-current assets

Intangible assets, property, plant and equipment, right of use assets, film and program rights and cost to obtain a contract represent a significant part of Telia Company's total assets.

Useful lives

Determination of the useful lives of asset classes involves taking into account historical trends and making assumptions related to future socio-economic and technological development and expected changes in market behavior.

In 2023 and 2022, amortization, depreciation and impairment losses for intangible assets, property, plant and equipment and right of use assets in continuing operatings totaled SEK 23,517 million and SEK 37,445 million, respectively. Amortization and impairment losses in continuing operations for film and program rights and cost to obtain a contract were SEK 5,908 million (5,557) and SEK 1,117 million (1,095), respectively. For additional information on intangible and tangible assets, right of use assets, film and program rights and costs to obtain a contract subject to amortization and depreciation and their carrying values as of the end of the reporting period, see Notes C6, C7, C12, C13, C14 and C28, respectively.

Currently, the following amortization and depreciation rates are applied.

Trade names	Individual evaluation, minimum 10%, except for trade names with indefinite useful lives
Telecom and frequency licenses, numbering rights	Remaining license period, minimum 5%
Interconnect and roaming agreements	Agreement term, based on the remaining useful life of the related license
Customer relationships	Individual evaluation, based on historic and projected churn
Capitalized development expenses	20% or individual evaluation
Other intangible assets	20–33% or individual evaluation
Buildings	2–10%
Land improvements	2%
Capitalized improvements on leased premises	Remaining term of corresponding lease
Mobile networks (base stations and other installations)	14.5–20%
Switching systems and transmission systems	10–20%
Transmission media (cable)	5–10%
Equipment for special networks	10%
Usufruct agreements of limited duration	Agreement term or time corresponding to the underlying asset
Other installations	2–33%
Customer premises equipment under service arrangements	33%, or agreement term if longer
Film and program rights	20-100%
Cost to obtain a contract	Straight line, based on historic and projected churn
Right-of-use assets	Expected lease term, 3-50%

Impairment testing

A number of significant assumptions and estimates are involved when measuring value in use and fair value less costs of disposal based on the expected future discounted cash flows attributable to an asset, for example with respect to factors such as market growth rates, revenue volumes, market prices for telecommunication services, costs to maintain and develop communication networks and working capital requirements. Forecasts of future cash flows are based on the best estimates of future revenue and operating expenses using historical trends, general market conditions, industry trends and forecasts and other available

information. These assumptions are prepared by management and subject to review by the Audit Committee of the Board of Directors. Potential significant climate related risks (as well as other types of risks in Telia Company's Risk Universe) and the group's ongoing and future mitigating activities are reflected in the forecasts. Climate related risks are considered through, for example, the sales growth forecasts which include offerings based on circular business models (e.g. sales of pre-owned and refurbished phones, Device as a Service, buy back initiatives and repair services to enable reuse and recycling) and products and services that enable our customers to reduce GHG emissions and energy use (e.g. remote meetings, IoT and other data-driven services). Further the EBITDA-margin and CAPEX-to-sales forecasts include impacts of higher energy prices and Telia Company's activities to manage the energy impacts and costs. The CAPEX-to-sales forecasts are considering that investment decisions are preceded by environmental screening of energy consumption, waste and GHG emissions, which in turn affects for example product and service development and network construction. The group-wide re-use and recycling program for network equipment is part of the forecasts.

For more information on climate risks, goals and activities, see Directors' Report section Risks/Environment and Sustainability report section Climate and circularity including the TCFD report in Note S4.

The cash flow forecasts are discounted at the weighted average cost of capital for the relevant cash-generating unit. For Norway and Lithuania the CAPEX-to-sales ratio development in the forecast deviate from historical trends. In the forecast period the investments levels are lower as the peak of 5G modernization has been passed. For TV and Media the sales growth and the adjusted EBITDA-margin development in the forecast deviate from historical trends. Both the sales growth and the adjusted EBITDA-margin are expected to recover from the large drop in the Swedish advertising market in 2023. For additional information on goodwill and it's carrying value as of the end of the reporting period, see Note C12.

Provisions for pensions and employment contracts

The most significant assumptions that management has to make in connection with the actuarial calculation of pension obligations and pension expenses affects the discount rate, the inflation, and the longevity. Changes in any of these key assumptions may have a significant impact on the projected benefit obligations, funding requirements and periodic pension cost.

For additional information on assumptions made, sensitivity analysis related to change in assumptions and pension obligations and their present values as of the end of the reporting period, see Note C22.

Provisions for asset retirement obligations and litigation

The provisions for asset retirement obligations (AROs) represent the group's best estimate of the future costs for handling hazardous waste such as worn-out telephone poles impregnated with creosote or arsenic and dismantling and restoration of mobile and fixed network sites. Estimating the ARO provisions requires significant judgment regarding the estimation of future cost for dismantling and restoration as well as the timing for settlement. The dismantling and restoration costs are impacted by uncertainty relating to future price development and how the dismantling and restauration work will be performed. There is also significant uncertainty related to the timing of the settlement as this is impacted by Telia Company's network strategy and dismantling plans, contract renewal options for site leases, technology changes and other factors.

Determination of the treatment of provisions and contingent liabilities related to litigation is based on management's view of the expected outcome of the applicable case. Litigation provisions and contingent liabilities are uncertain in nature and the assessment of probability and possible outcome includes significant judgment. Management consults with legal counsel and other experts both within and outside the company on matters related to litigation. The litigation assessment considers the nature and the progress of the case, the claimed amount, outcome in similar cases and other factors. Due to the uncertainties, the actual costs for litigations and AROs and litigations may differ from current provision estimates.

For additional information on ARO provisions including their carrying values as of the end of the reporting period, and on contingencies and litigation, see Notes C23 and C30.

Accounts payables under vendor financing arrangements

Telia Company has arrangements with several banks under which the banks offer Telia Company's vendors the option to receive earlier payment of Telia Company's accounts payables. Vendors utilizing the financing arrangement pay a credit fee to the bank. From the second quarter 2023 the vendor financing portfolio also includes arrangements where the supplier issues a trade finance instrument, subsequently assigned to a bank specified by the supplier, and offers Telia Company to extend the payment terms in exchange for a price increase consideration paid by Telia Company. All arrangements in the vendor financing portfolio provide earlier payment for the vendors and extended payment terms for Telia Company. Telia Company uses all of the arrangements in the vendor financing portfolio as integrated parts of the commercial relationships with the vendors and the liabilities are part of the working capital in Telia Company's normal operating cycle. Telia Company does not provide any additional collateral or guarantees to the banks. Based on Telia Company's assessment the liabilities under the vendor financing arrangement are closely related to operating purchase activities and the financing arrangement does not lead to any significant change in the nature or function of the liabilities. These liabilities in the vendor financing portfolio are therefore classified as accounts payables.. The credit period does not exceed 12 months and the accounts payable are therefore not discounted. Accounts payable under vendor financing arrangements were SEK 11,527 million per December 31, 2023 (11,413). See Note C25.

C3. Material accounting policies

Consolidated financial statements

General – Subsidiaries
The consolidated financial statements comprise the parent company Telia Company AB and all entities over which Telia Company has control. Telia Company is assumed to have control if the group owns the majority of shares and voting rights, and a proportionate entitlement to a share of the returns of the entity and decisions about relevant activities are determined by majority votes. Telia Company is also assumed to have control if Telia Company selects the majority of the board contractually even if not holding the majority of the shares.

Acquisitions are accounted for using the acquisition method which measures goodwill at the acquisition date as: the fair value of the consideration transferred; plus the amount of any non-controlling interest in the acquiree recognized in the transaction; plus if the business combination is achieved in stages, the fair value of the previously held equity interest in the acquiree; less the net fair value of the identifiable assets acquired and liabilities assumed. Costs related to the acquisition are expensed as incurred.

Acquisition of additional shares in a subsidiary after obtaining control as well as a partial disposal of shares in a subsidiary while retaining control are accounted for as equity transactions with owners. See section "Non-controlling interests" below.

Intra-group balances transactions, income and expenses, have been eliminated in the consolidated financial statements.

Non-controlling interests
Transactions with non-controlling interests are treated as equity transactions, including any transaction-related costs. Gains or losses on disposals as well as any excess or deficit of consideration paid over the carrying amount of non-controlling interests when acquiring additional shares in a subsidiary are recognized in retained earnings.

For each business combination the group has a choice to measure any non-controlling interest in a subsidiary either at fair value (goodwill recognized on non-controlling interest) or only at the proportionate share of the net assets (goodwill recognized only on acquired interest). In general, Telia Company measures non-controlling interests at the proportionate share of the net assets.

Joint arrangements
Joint arrangements are entities over which the group has joint control by virtue of contractual arrangements. Joint arrangements are classified as either joint operations or joint ventures. Joint operations are arrangements whereby Telia Company has the right to the assets and obligation for the liabilities and accounts for its share of the assets, liabilities, revenue and expenses of the joint operation line by line in the consolidated financial statements. The joint operations are primarily designed for providing output to the shareholders, for Telia Company mainly in form of network-sharing.

Joint ventures are arrangements where Telia Company has right to the net assets of the arrangement and the investment is accounted for under the equity method (similar to associated companies - see section below).

Associated companies
Associated companies are entities over which the group has significant influence but not control. If the group holds, directly or indirectly (e.g. through subsidiaries), 20% or more of the voting power of the investee, it is presumed that the group has significant influence, unless it can be clearly demonstrated that this is not the case. Holdings in associated companies are accounted for using the equity method and are initially recognized at cost, including any transaction costs. The group's share of net income in associated companies is included in operating income because the operations of these companies are related to telecommunications and it is the group's strategy to capitalize on industry know-how by means of investing in partly owned operations.

The line item Income from associated companies and joint ventures also includes amortization of fair value adjustments and other consolidation adjustments made upon the acquisition of associated companies as well as any subsequent impairment losses on goodwill and other intangible assets, and capital gains and losses on disposals of stakes in such companies. When selling a subsidiary to an associated company transaction gain or loss is recognized in full without any eliminiation.

Dividend received reduces the carrying amount of an investment. Negative equity participations in associated companies are recognized only to the extent contractual obligations to contribute additional capital exist and are then recorded as Other provisions.

Cash flow reporting
Cash flows from operating activities are reported using the indirect method and include dividends received from associated companies and other equity instruments, interest paid or received (except for paid interest capitalized as part of the acquisition or construction of non-current assets and therefore included in cash flows from investing activities), provisions, compensation from or contributions to the Swedish pension fund and taxes paid or refunded. Changes in non-interest bearing receivables and liabilities are reported in working capital. Terminal financing receivables are included in working capital. Cash flow from operating activities also includes cash flows from film and program rights and from accounts payable under vendor financing arrangements.

Cash flows from investing activities include CAPEX, payments to acquire or receipts from the sale of joint ventures, associates, subsidiaries (obtaining or losing control) net of cash and cash equivalents acquired or disposed of and other equity instruments. Further, cash flows from investing activities include payments related to lease receivables, as well as other investments with maturities over 3 months.

Cash flows from financing activities include dividends paid to owners of the parent and to holders of non-controlling interests, payments and receipts from changes in ownership of non-controlling interest and cash flows from settlement of foreign exchange derivative contracts used for economic hedges of cash-pool balances including any payments or receipts from CSA (Credit Support Annex).

Proceeds from and repayment of borrowings include cash flows from derivatives hedging such borrowings. Further, cash flow from financing activities also includes repayments of lease liabilities.

Cash and cash equivalents include bank deposits and highly-liquid short-term investments with maturities up to and including 3 months.

Segment reporting

The group's businesses are managed and reported by the six continuing operating segments: Sweden, Finland, Norway, Lithuania, Estonia, TV and Media and the discontinued operation Denmark. Operating segments that are not individually reportable (Latvia and Telia Finance) and Group functions are combined into Other operations. Segments are consolidated based on the same accounting principles as for the group as a whole except for inter-segment leases which are treated as operating leases. When significant operations are transferred between segments, comparative period figures are restated.

Foreign currency translation

In preparing the financial statements, foreign currency transactions are translated at the exchange rates prevailing at the date of each transaction. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the closing rates existing at that date. Exchange rate differences arising from operating receivables or liabilities are recognized in operating income, while differences attributable to financial assets or liabilities are recognized in finance items.

The consolidated financial statements are presented in Swedish krona (SEK), which is the functional currency of the parent company. For consolidation purposes, income and expenses of foreign operations are translated at the average exchange rates for the period, except for material transactions for which foreign exchange rates at the date of the transactions are used. Assets and liabilities, are translated at closing rates at the end of the reporting period except for equity components, which are translated at historical rates. Translation differences are recognized in other comprehensive income and accumulated in equity.

When a foreign operation is disposed, any related cumulative exchange rate difference is recycled to net income as part of the gain or loss on the disposal, except for accumulated exchange rate differences related to non-controlling interests which are derecognized but not recycled to net income. However, if Telia Company would dispose a non-controlling interest in a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

Revenue recognition

Revenue principally consists of mobile service revenue including subscription, interconnect and roaming and fixed service revenue including telephony, broadband, TV, installation fees, and business solutions, as well as advertising revenue, revenue from equipment sales and leases. There is both revenue from products and services sold separately and from products and services sold as a bundle.

Revenue is allocated to performance obligations (equipment and services) in proportion to standalone selling prices of the individual items. Revenue is recognized when (at a point in time) or as (over a period of time) the performance obligations are satisfied, which is determined by the manner in which control passes to the customer.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amount collected on behalf of third parties.

Service revenue

Service revenue is recognized over time, in the period in which the service is performed, based on actual traffic or over the contract term, as applicable. Revenue from voice and data services is recognized when the services are used by the customer. Subscription fees are recognized as revenue over the subscription period. Sales relating to prepaid phone cards, primarily mobile, are deferred as a contract liability and recognized as revenue based on the actual usage of the cards.

Revenue from interconnect traffic with other telecom operators is recognized at the time of transit across Telia Company's network.

Installation services are in many cases considered separate performance obligations and revenue is recognized when or as the obligation is satisfied, depending on the type of installation service and how and when the control is transferred to the customer.

For open access fiber installed at customer's premises, non-refundable customer fees and related installation costs, including planning, trenching, cabling, splicing, mounting, connection, cross-connect equipment and media converter, are recognized when the installation is finalized. Connection fees are recognized separately at completion of connection, if the fees do not include any amount for subsequent servicing but only cover the connection costs. Amounts for subsequent servicing are deferred.

To corporate customers, Telia Company offers complex, long-term functional service agreements which could include telecom and datacom subscription services, installation services related to telecom or datacom and other customized services. Typically, telecom and datacom services are considered separate performance obligations. Revenue for each separate performance obligation is recognized over the period of time that the subscription service is provided, and the performance obligation is satisfied. Since the subscription services in a functional agreement are performed on a monthly basis over the same period, these services are in practice accounted for in the same way as if they had been one performance obligation. Installation services in functional agreements are in most cases considered separate performance obligations and revenue is recognized when or as the obligation is satisfied, depending on the type of installation service and how and when control is transferred to the customer. For many of the installation services the control is transferred, and revenue is recognized upon completion of the installation. Functional agreements often also include equipment, see below. In functional agreements there are often also variable usage-based services and add on services. Each one of these services are considered separate performance obligations. Revenue for usage-based services is recognized over the period the service is used as the obligation is satisfied and control is transferred over time. Revenue for add on services is recognized when or as the obligation is satisfied, depending on the type of add on service and how and when control is transferred to the customer.

Invoices for mobile subscriptions, broadband, fixed telephony and other services are normally paid monthly, over the contract period.

Equipment revenue
Revenue from equipment sales is recognized at the point in time when control is transferred to the customer, which normally is on delivery and when accepted by the customer. If the customer has the right to return the equipment, the amount of revenue recognized is adjusted for expected returns, estimated based on historical data. Equipment is paid for upfront or over time, when Telia Company provides the customer with financing.

Functional agreements with corporate customers often include equipment such as sales or financial leases of for example terminals (phones/tablets/LAN equipment etc.). The equipment is considered separate performance obligations and revenue from sale of equipment is recognized at the point in time when the performance obligation is satisfied, and control has been transferred (when the equipment have been delivered).

Advertising revenue
The performance obligation for advertising is satisfied when the advertisement is actually shown, published or displayed and the revenue is recognized at that time. The revenue is reduced for rebates.

Bundled services and products
Telia Company may bundle services and products into one customer offering. Offerings may involve the delivery or performance of multiple products, services, or rights to use assets (multiple deliverables). Telia Company accounts for each individual product and service separately if they are distinct – i.e. if a product or service is separately identifiable from other items in the bundled package and if a customer can benefit from it. When the transaction price is determined for bundles that includes services (e.g. a mobile subscription), the minimum non-cancellable contract term is considered. When applicable, the transaction price is adjusted for financing components and expected returns. There are usually no or few other variable components in the transaction price. The transaction price is allocated to each equipment and service accounted for as a separate performance obligation, based on their relative stand-alone selling price. For most performance obligations, the stand-alone selling prices are directly observable. If stand-alone selling prices are not directly observable, they are estimated based on expected cost plus margin. In some cases, the offerings include non-refundable upfront fees such as activation fees. Payments for such fees are included in the transaction price, and, if not related to the satisfaction of a performance obligation, allocated to other performance obligations identified in the contract.

Some bundled offerings include lease components, e.g. TV boxes, as well as non-lease components, e.g. subscription. In those arrangements, the transaction price is allocated to both the lease components and non-lease components identified as separate performance obligations. The lease components are then accounted for as either an operating lease or a finance lease depending on the lease classification (see also section "Lease agreements, Telia Company as a lessor" below). Revenue for the non-lease components is recognized when or as the performance obligations are satisfied.

Equipment that can be used only in connection with services provided by Telia Company and that have no other significant function for the customer than delivering the service, e.g. routers, is not accounted for as a separate performance obligation. In such arrangements, the transaction price is allocated to the performance obligations identified, i.e. no part of the transaction price is allocated to the equipment. Any consideration received upfront, when the equipment is delivered, is recognized as a contract liability and recognized as revenue when or as the identified performance obligations are satisfied.

If a contract with a customer includes a license that is distinct, the promise to grant a license is classified as either a "right to access" or a "right to use" Telia Company's intellectual property. A license is classified as a "right to access" if Telia Company will undertake activities that significantly affects the intellectual property, that do not result in the transfer of a separate performance obligation to the customer, and, the customer is directly exposed to any positive or negative effects of those activities. When the promise to grant a license is classified as a "right to access", revenue are recognized over time. When the promise to grant a license is classified as a "right to use", revenue is recognized at the point in time when control is transferred to the customer.

Principal or agent
Sometimes a third party is engaged in delivering goods or services to Telia Company's customers, e.g. Telia Company offers several value-added services (VAS) to the customers in bundled offerings.

In arrangements where Telia Company acts as a principal, revenue is recognized on a gross basis. When Telia Company acts as an agent and arranges goods or services to be provided by another party, revenue is recognized as the net amount of consideration that Telia Company retains after paying that other party. When invoicing end-customers for third-party content services, amounts collected on behalf of the principal are excluded from revenue. For more information see to Note C2.

Other revenue related transactions
Under customer loyalty programs, customers are entitled to certain discounts relating to services and goods provided by Telia Company. The loyalty program provides the customers with a material right which is accounted for as a separate performance obligation. The transaction prices are allocated between the services and goods provided, and the material right based on relative stand-alone selling prices. The stand-alone selling price for the material right is estimated based on the discount granted and the likelihood of redemption, which is based on past practice. A contract liability is recognized until the material rights are redeemed or expire.

Some contracts contain a financing component because the timing of payments provides the customer with a benefit of financing. When determining the transaction price for such agreements, Telia Company adjusts the promised amount of consideration for the effects of the time value of money. Telia Company uses the practical expedient to not calculate and account for significant financing component if the period between the transfer of a good or service to a customer and payment is 12 months or less.

Telia Company distinguishes between contract assets and receivables based on whether receipt of the consideration is conditional on something other than passage of time. Contract assets primarily relate to transactions where Telia Company satisfies a performance obligation to transfer equipment that is part of a bundles to the customer, but the right to payment for the equipment

is dependent on Telia Company satisfying another performance obligation in the contract, for example a mobile subscription. The contract assets are transferred to receivables when the right becomes unconditional, i.e. when only the passage of time is required before payment of consideration is due. Contract liabilities primarily relate to prepayments received from customers such as prepaid cards and prepaid subscriptions.

If expected to be recovered, costs to obtain a contract such as sales commissions and equipment subsidies granted to dealers for obtaining a specific contract are capitalized and deferred over the period which Telia Company expects to provide services to the customer. The asset (included in balance sheet line item Other non-current assets) is amortized on a straight-line basis. Amortization of costs to obtain a contract is included in the line-item Other external expenses (within EBITDA) in the income statement.

Operating expenses

Telia Company presents its analysis of expenses using a classification based on nature.

Goods and services purchased includes goods and sub-contracting services purchased, change in inventories, interconnect and roaming expenses as well as other network expenses. Other external expenses includes marketing expenses, IT expenses and consultancy fees and other external expenses. The line-item Depreciation, amortization and impairment relates to property, plant and equipment, intangible assets and right-of-use assets. Amortization and impairment of film and program rights are included in the line-item Goods and services purchased and amortization of costs to obtain a contract is included in the line-item Other external expenses.

Advertising and other marketing costs are expensed as incurred. All pension benefit costs except for the interest component are recognized as personnel expenses. For equity-settled share-based payments to employees, such as Telia Company's Performance Share Programs, cost, being the fair value at the allotment date of the equity instruments allotted, is recognized as personnel expenses allocated over the vesting period and with a corresponding increase in equity. Cost is based on the best available estimate of the number of equity instruments to vest. If necessary, the estimate is revised during the vesting period and finally revised at the end of the vesting period.

Other operating income and expenses

Other operating income and other operating expenses include gains and losses, respectively, on disposal of shares or operations in subsidiaries (see section "Associated companies" above) and on disposal of intangible assets or property, plant and equipment.

Also included in other operating income and expenses are, government grants, exchange rate differences on operating transactions, results from court-settled disputes with other operators regarding historical interconnect and roaming fees and other similar items. Government grants are initially measured at fair value and recognized as income over the periods necessary to match them with the related costs.

Exchange rate differences from operating transactions also include effects from economic hedges and value changes in derivatives hedging operational transaction exposure (see section "Derivatives and hedge accounting" below).

Finance income and finance costs

Interest income and expenses are recognized using the effective interest rate method. Finance income and finance costs include net changes in fair value of derivatives that hedge financial transactions, but for which hedge accounting is not applied. Finance income and finance costs also include ineffectiveness on hedging relationships related to financial transactions. Exchange rate gains and losses on financial transactions are presented net.

Income taxes

Current and deferred tax are recognised in net income, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Deferred income taxes are provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the consolidated financial statements and on unutilized tax deductions or losses. Deferred tax assets are recognized to the extent that the ability of utilizing the tax asset is probable

Deferred tax liabilities for undistributed earnings or temporary differences related to investments in subsidiaries, joint ventures and associated companies are not recognized because such retained earnings can be withdrawn as non-taxable dividends and the companies can be sold without tax consequences. In certain countries such as Latvia and Estonia, income tax is levied on dividends paid or declared. For these countries deferred tax is recognized on undistributed earnings and current tax is recognized in the period when distributions are made.

Effects of changes in tax rates are recognized in the period when the change is substantively enacted.

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions where Telia Company operates. The legislation will be effective for the group's financial year beginning January 1, 2024. Telia Company has applied the temporary exception from the accounting requirements for deferred taxes related to Pillar Two legislation in IAS 12. Accordingly, Telia Company neither recognizes nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

Deferred tax assets and liabilities are offset when a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Interest on current tax payable or refundable calculated by tax authorities is classified as Interest expenses and Other interest income, respectively.

Intangible assets and Property, plant and equipment

Measurement

Goodwill is measured at cost, less any accumulated impairment losses. Goodwill impairment losses are not reversed.

Other intangible assets are measured at cost, including directly attributable borrowing costs,

less accumulated amortization and any impairment losses. Direct external and internal development expenses for new or substantially improved products and processes are capitalized, provided that future economic benefits are probable, costs can be measured reliably and the product and process is technically and commercially feasible. Activities in projects at the feasibility study stage as well as maintenance and training activities are expensed as incurred.

Property, plant and equipment are measured at cost, including directly attributable borrowing costs, less accumulated depreciation and any impairment losses. Software used in the production process is considered to be an integral part of the related hardware and is capitalized as plant and machinery.

Property and plant under construction are valued at the expense already incurred, including interest during the installation period. To the extent a legal or constructive obligation to a third party exists, the acquisition cost includes estimated costs of dismantling and removing the asset and restoring the site. A change in estimated expenditures for dismantling, removal and restoration is added to and/or deducted from the carrying value of the related asset. To the extent that the change would result in a negative carrying value, this effect is recognized in net income. The change in depreciation charge is recognized prospectively.

Capitalized interest is calculated, based on the group's estimated average cost of borrowing.

Government grants received as compensation for the cost of an asset are initially measured at fair value, normally being the consideration received. A government grant reduces the carrying value of the related asset and the depreciation charge recognized over the asset's useful life.

Amortization and depreciation
Amortization of intangible assets (other than goodwill and trade names with indefinite useful lives) and depreciation of property, plant and equipment are based on cost, less residual values, and taking into account the estimated useful lives of various asset classes or individual assets. Land is not depreciated. Amortization and depreciation are recognized on a straight-line basis.

Amortization of network-independent licenses to use specific radio frequencies (spectrum) commences when the related frequency block is available for use. License fees based on future services, i.e. relating to the ongoing performance of the entity are not capitalized but expensed as incurred.

Impairment testing
Goodwill and other intangible assets with indefinite useful lives (TV and Media brands) and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired. Intangible assets with a finite life and tangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable.

Where it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is tested for impairment. Goodwill is, for impairment testing purposes, allocated to cash generating units in accordance with Telia Company's business organization. Each country, and TV and Media constitute a separate cash-generating unit (CGU), which represent the lowest level at which goodwill is monitored for internal management purposes.

If an analysis indicates that the carrying value is higher than its recoverable amount, which is the higher of the fair value less costs to sell and value in use, an impairment loss is recognized for the amount by which the carrying amounts exceed the recoverable amount.

Value in use is measured based on the expected future discounted cash flows (DCF model) attributable to the asset.

Film and program rights

Film and program right assets and related liabilities are recognized in the statement of financial position when the license period begins, the cost can be measured reliably, the content has been accepted by the group in accordance with the license agreement and the film or program is available for its first showing/broadcasting. The assets are presented in separate line items for non-current and current film and program rights in the consolidated statement of financial position. Film and program rights are recognized at cost less accumulated amortization and any impairments. Future payment commitments for contractual film and program rights not recognized in the statement of financial position are disclosed as contractual commitments. Film and program rights are amortized over the useful life which is based on the license period or number of showings. Amortization of film and program rights is included in the line-item Goods and services purchased in the income statement (within EBITDA). Cash flows relating to program rights are classified within operating activities.

Financial instruments

Recognition and initial measurement
Accounts receivables and debt securities issued are initially recognized when they are originated by Telia Company. "Regular-way" acquisitions of financial assets are recognized on the date on which the instrument is actually transferred to Telia Company, i.e. the settlement date. All other financial assets and financial liabilities are initially recognized when Telia Company becomes a part to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially recognized at fair value plus/less transaction costs that are directly attributable to the acquisition of the financial asset or liability. However, transaction costs related to instruments at fair value through income statement are expensed as incurred.

Classification and subsequent measurement of financial assets
A financial asset is for measurement purposes initially classified into one of three measurement categories. The classification depends on how the asset is managed (business model) and the characteristics of the asset's contractual cash flows. The measurement categories for financial assets are as follows:

- Financial assets at fair value through income statement (profit or loss)
- Financial assets at fair value through other comprehensive income
- Financial assets at amortized cost

Investments in bonds
Telia Company holds a portfolio of bonds that is managed on the basis of its fair value, which is also how the performance of the portfolio is reported internally within Telia Company. There is a high frequency of sales of assets within the portfolio. Consequently, the portfolio is classified as at fair value through income statement.

In addition, certain Group companies that are under regulatory supervision hold portfolios of bonds in order to meet regulatory liquidity requirements. These portfolios are held within a business model whose objective is achieved by both collecting contractual cash flows and by selling the assets in the portfolio. As the contractual terms of the bonds in the portfolios also give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding, the portfolios are classified as at fair value through other comprehensive income.

Investments in equity instruments
Telia Company has elected to present changes in fair value of equity instruments in other comprehensive income.

Short-term investments included as cash equivalents
Short-term investments are measured at fair value through income statement.

Derivatives that are assets
Derivatives financial instruments with a positive fair value for Telia Company are recognized as assets and classified as financial assets at fair value through income statement unless hedge accounting is applied.

Other financial assets
All of Telia Company's other financial assets are classified as financial assets at amortized cost.

Classification and measurement of financial liabilities
After initial recognition, all Telia Company's financial liabilities are measured at amortized cost under the effective interest rate method, except for derivatives that constitute liabilities which are measured at fair value. Financial liabilities that constitute hedged items in hedges of fair value are remeasured at fair value in respect of the hedged risk during the period of the hedging relationship.

Derecognition of financial assets
In some markets, Telia Company has arrangements in place with a third party under which rights to cash flows from trade receivables are transferred to the third party. The transactions under these arrangements qualify as transfers of the underlying financial assets under the so-called "pass-through" criteria in IFRS 9. The third party also assumes substantially all the credit risk and other financial risks of the underlying assets. Receivables included under such arrangements are therefore derecognized in full when the contractual rights to the cash flows are passed to the third party. An expense is recognized upon derecognition based on the difference between the carrying amount of the financial asset derecognized and the consideration paid by the third party for the rights to the cash flows from the asset.

Impairment of financial assets
A loss allowance is recognized for financial assets measured at amortized cost, lease receivables, financial assets measured at fair value through other comprehensive income and for contract assets. The loss allowance is measured at an amount equal to lifetime expected credit losses, except for the following, for which the loss allowance is measured at an amount of twelve months expected credit losses:

- Financial assets that are determined to have low credit risk at the reporting date
- Financial assets for which the credit risk has not increased significantly since initial recognition

The loss allowance for trade receivables and contract assets is always measured at an amount equal to lifetime expected losses applying the simplified approach in IFRS 9. The general model is applied for all other financial assets. Impairment losses on trade receivables, lease receivables and contract assets are recognized within Other external expenses.

Fair value hierarchy levels
The carrying values of classes of financial assets and liabilities measured at fair value are determined based on a three-level fair value hierarchy, as follows.

Level	Fair value determination	Comprises
1	Quoted (unadjusted) prices in active markets for identical assets or liabilities	Primarily bonds measured at fair value through other comprehensive income or at fair value through income statement
2	Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices)	Derivatives designated as hedging instruments or measured at fair value through income statement
3	Inputs for the asset or liability that are not based on observable market data (unobservable inputs)	Unquoted equity instruments measured at fair value through other comprehensive income

Inputs for fair value measurements disclosed for assets and liabilities that are not carried at fair value are categorized to fair value level hierarchy 2.

Fair value estimation
The fair values of financial instruments traded in active markets are based on quoted market prices at the end of the reporting period. For financial assets, the current bid price is used. The fair values of financial instruments that are not traded in active markets are determined by using valuation techniques. Management uses a variety of methods and makes assumptions that are based on market conditions existing at the end of the reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows (DCF analyses), are used to determine fair value for the remaining financial instruments. DCF analyses are performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for any optional derivatives. Forward exchange contracts are measured using quoted forward exchange rates and yield-curves derived from quoted interest rates matching maturities of the contracts. Interest rate swaps are measured at the present value of future cash flows, estimated and discounted based on the applicable yield-curves derived from quoted interest rates.

Telia Company's primary valuation technique for unquoted equity instruments is based on the most recent transaction for the specific company if such transaction has been recently done. Adjustments to the carrying value are made to reflect significant changes in circumstances since the transaction date if Telia Company assess that the changes will have a material impact on the fair value. The estimated fair value for material unquoted equity instruments is verified by applying other valuation models in the form of valuation multiples from peers on relevant financial and operational metrics. Quoted equity instruments are valued at quoted market price.

Accounts payable under vendor financing arrangements
Based on Telia Company's assessment the liabilities under vendor financing arrangements are closely related to operating purchase activities and the financing arrangement does not lead to any significant change in the nature or function of the liabilities. The liabilities in the vendor financing portfolio are therefore classified as accounts payable. The credit period does not exceed 12 months and the accounts payables are therefore not discounted.

Derivatives and hedge accounting
Derivatives with a positive fair value are recognized as non-current or current receivables and derivatives with a negative fair value as non-current or current liabilities. Swaps and forward exchange contracts are classified as non-interest-bearing and interest rate swaps and cross-currency interest rate swaps as interest-bearing items.

Fair value hedges of interest rate risk in borrowings
Telia Company has identified interest rate swaps as hedging instruments in fair value hedges of interest rate risk in fixed-rate borrowings. The hedging instruments are measured at fair value with changes in fair value recognized in income statement, whereas the hedged items are remeasured to fair value in respect of the hedged risk during the period of the hedging relationship with changes in fair value also reported in income statement. Hedge ineffectiveness is reported as Finance income or Finance costs. The group has in certain cases also identified interest rate swaps as hedging instrument in hedge relationships where the hedged item is an aggregate exposure consisting of a borrowing and a derivative as is permitted under IFRS 9.

Cash-flow hedges of foreign currency and interest rate risk in borrowings
When borrowings are made in foreign currencies, Telia Company uses cross-currency interest rate swaps (CCIRS) to hedge the foreign currency exposure from such borrowings. The hedges are identified as cash flow hedges of both foreign currency risk and interest rate risk. Telia Company has chosen to the exclude foreign currency basis spreads in the CCIRSs from the hedging relationship and to account for the currency basis spread as cost of hedging. The change in fair value on the hedging instrument related to the currency basis spread is recognized in other comprehensive income and accumulated in the Cost of hedging reserve in equity.

The effective portion of the change in fair value of the CCIRSs is recognized in other comprehensive income and accumulated in the Hedging reserve in equity and reclassified to income statement in the same periods as the group report interest on the borrowings and spot remeasurement of the hedged borrowings. Any ineffectiveness on the hedges is reported in income statement within Finance income or Finance costs.

Cash flow hedges of foreign currency risk in purchases of film and program rights
Telia Company frequently pays for film and program rights in foreign currencies. This leads to a currency exposure between the currency in which Telia Company will pay for the film and program rights and the functional currency of the entity within the group that has the obligation to settle the liability to the supplier of the film and program rights. The group hedges such exposures using forward contracts. The forwards are accounted for as cash flow hedges. Changes in the fair value of the hedges are reported in other comprehensive income and accumulated in the Heding reserve in equity. The amount recognized in the Hedging reserve is transferred directly from equity when the film and program right is acquired and is included in the initial cost of the asset for the film and program right.

Economic hedges
The group uses derivatives to economically hedge risk exposures, for which hedge accounting is not applied. Changes in the fair value of derivatives that economically hedge either the debt portfolio or the group's holdings in the bond portfolio are recognized within Finance income and Finance costs. Changes in the fair value of derivatives that economically hedge operating cash flows are presented within Other operating income and Other operating expenses.

Hedges of net investments in foreign operations
Any gain or loss on the hedging instrument relating to the effective portion of a hedge of net investments in foreign operations is recognized in other comprehensive income and accumulated in the Foreign currency translation reserve in equity. Gains and losses deferred in the Foreign currency translation reserve are not recycled to net income until disposal of the foreign operation.

Power purchase agreements (PPAs)
Telia Company has entered into power purchase agreements to procure renewable electricity. The power purchase agreements require Telia Company to pay for physically delivered electricity that is used for Telia Company's own usage requirements and there are no contractual rights to settle the contracts net in cash. Telia Company therefore considers the power purchase agreements to fall under the so called "own-use exemption" and has consequently not accounted for the agreements as derivative financial instruments. The price paid for the purchased electricity is instead recognized as expenses in the period the electricity is delivered and used.

Repurchase agreements
Repurchase agreements, means that the parties have agreed on sale and repurchase of a certain security, at a predetermined price and point in time. Since Telia Company remains exposed to the risk and rewards of the asset during the transaction period, securities remain accounted for in the balance sheet as financial assets. Received cash is accounted for as financial liabilities. Sold securities are also disclosed as pledged assets.

Inventories
Inventories are carried at the lower of cost and net realizable value. Obsolescence is assessed with reference to the age and rate of turnover of the items.

Assets held for sale and discontinued operations
Non-current assets and disposal groups are classified as held for sale if their carrying value will be recovered principally through a sale transaction rather than through continuing use. A non-current asset (or disposal group) held for sale is measured at the lower of its previous carrying value and fair value less costs to sell.

One of the conditions that must be satisfied for an asset to be classified as held for sale is that the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. For the sale to qualify as highly probable the appropriate level of management must be committed to a plan to sell the asset or disposal group in its present condition and actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. Telia Company's assessment is that in most cases these criteria are not met before final and binding sales agreements have been signed.

In the telecom industry acquisitions often require regulatory approval. If the buyer is a telecom operator in the same market parties often have to agree to a number of remedies to get the approval. If the buyer is expected to be a telecom operator in the same market and significant remedies are expected, a sale is usually not regarded as highly probable and consequently the assets are not classified as held for sale by Telia Company, until the remedies are agreed upon and accepted by management.

Equity attributable to owners of the parent
Equity attributable to owners of the parent is divided into share capital, other contributed capital, hedging reserve, cost of hedging reserve, fair value reserve, foreign currency translation reserve, equity transaction in associates and retained earnings. Share capital is the legally issued share capital.

Other contributed capital comprises contributions made by shareholders in the form of share premiums in connection with new share issues, specific share holder contributions, etc. This item is reduced by reimbursements to shareholders made in accordance with separately decided and communicated capital repayment programs (e.g. through purchasing own shares or extraordinary dividends). The hedging reserve as well as the cost of hedging reserve and the foreign currency translation reserve are reclassified to net income. The fair value reserve includes both debt instruments at fair value through OCI which are reclassified to net income, and equity instruments at fair value through OCI which are not classified to net income. Cash flow hedges may also adjust the initial cost of a non-financial asset or liability. Equity transactions in associates are the effect on the group from equity transactions such as buyback of shares from third parties by an associated entity. All other equity is retained earnings.

Dividend payments are proposed by the Board of Directors in accordance with the regulations of the Swedish Companies Act and decided by the general meeting of shareholders. The proposed cash dividend will be recorded as a liability immediately following the final decision by the shareholders.

Provisions for pensions and employment contracts
Telia Company provides defined contribution or defined benefit pension plans to its employees. Contributions to defined contribution plans are normally set at a certain percentage of the employee's salary. Telia Company pays fixed contributions to separate legal entities and will have no legal or constructive obligation to pay further amounts if the fund does not hold sufficient assets to pay all employee benefits. Contributions to defined contribution plans are expensed when employees provide services entitling them to the contribution.

Defined benefit pension plans, provided to part of Telia Company employees in Sweden, Finland and Norway, means that the individual is guaranteed a pension equal to a certain percentage of his or her salary. The pension plans mainly include retirement pension, disability pension and family pension. The present value of pension obligations and pension costs are calculated annually, using the projected unit credit method, which distributes the cost over the employee's service period. The pension cost is recognized in three components, service cost, net interest and remeasurements. Service cost is recognized as personnel expenses and net interest, based on discount rate, on defined benefit obligation and plan assets is reported as interest income or interest expenses in financial items.

Changes in actuarial assumptions and experience adjustments of obligations and changes in fair value of plan assets, deviations from discount rate, results in remeasurements and are recognized in Other comprehensive income at the end of the reporting period.

Actuarial assumptions are determined at the end of the reporting period. The assets of Telia Company's pension funds constitute pension plan assets and are valued at fair value at the end of the reporting period.

Net provisions or assets for post-employment benefits in the statement of financial position represent the present value of obligations at the end of the reporting period less the fair value of plan assets.

Other provisions and contingencies

A provision is recognized when Telia Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the likelihood of an outflow of resources is less than probable but more than remote, or a reliable estimate is not determinable, the matter is disclosed as a contingency provided that the obligation or the legal claim is material.

Provisions are measured at management's best estimate, at the end of the reporting period, of the expenditure required to settle the obligation, and are discounted to present value where the effect is material

Provisions for asset retirement obligations (AROs) mainly refer to handling hazardous waste such as worn-out telephone poles impregnated with creosote or arsenic and to dismantling and restoration of mobile and fixed network sites. ARO provisions are initially recognized with a corresponding increase of the related asset within property, plant and equipment, which is subsequently depreciated over the useful life of the asset. Subsequent adjustments of the ARO provision based on changes in estimated dismantling and restoration costs or changes in discount rates are recognized with a corresponding increase/decrease of the carrying value of the related property, plant and equipment asset.

Other provisions comprise restructuring provisions which include termination benefits, onerous contracts and other expenses related to cost reduction programs, post-acquisition integration programs, closing-down of operations, etc.

Termination benefits are recognized at the earlier of when Telia Company no longer can withdraw the offering of those benefits or when Telia Company has made an appropriate public announcement, specifying the terms of redundancy and the number of employees affected, or after individual employees have been advised of the specific terms.

Lease agreements

Telia Company as lessee

Telia Company recognizes a right-of-use asset and a lease liability on the statement of financial position when the underlying asset is made available for Telia Company, i.e. at the commencement date. Telia Company applies the practical expedients to recognize payments associated with current leases and leases of low value as an expense in the income statement. Telia Company does not apply IFRS 16 to intangible assets.

The lease liability is initially measured at the present value of the lease payments during the estimated lease term that are not paid at the commencement date. Lease payments included in the measurement of the lease liability comprise of fixed lease payments including in-substance fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be payable under a residual value guarantee and payments related to options that Telia Company is reasonably certain to exercise. In all asset classes, payments related to non-lease components are separated from the lease payments and expensed as incurred.

The estimated lease term includes the non-cancellable period of the lease together with both periods covered by extension options (if Telia Company is reasonable certain to exercise that option) and periods covered by termination options (if Telia Company is reasonable certain not to exercise that option).

The lease liability is remeasured if there are modifications to the lease contract or if there are changes in the cash flow based on the initial contract terms. Changes in cash flows based on the initial term occurs when; Telia Company changes its initial estimation of whether extension and/or termination options will be exercised, there are changes in earlier estimates of whether a purchase option will be exercised, lease payments changes due to changes in index or rate, or if there is a change in estimates regarding amounts expected to be paid under a residual value guarantee.

The lease payments are discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Telia Company's incremental borrowing rate. For the majority of all lease contracts Telia Company uses its incremental borrowing rate.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date and any initial direct costs incurred, less any lease incentives received. Also, any restoration costs estimated in accordance with the guidance in IAS 37 are included in the measurement of the right-of-use asset. The related provision is recognized separately from the lease liability.

The right-of use asset is subsequently depreciated on a straight-line basis from the commencement date to the earlier of the end of the useful life of the underlying asset or the end of the estimated lease term. Any remeasurement of the lease liability results in most cases in a corresponding adjustment of the right-of-use asset. The right-of-use assets are tested for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable.

Right-of-use assets are presented as a separate line in the statement of financial position and lease liabilities as non-current- and current borrowings in the statement of financial position.

In the income statement, depreciation charges of the right-of-use asset are included in the line-item Depreciation, amortization and impairmentet. The interest expense on the lease liability is presented as finance costs.

Repayments on the lease liability are presented as a cash flow from financing activities. Payments of interest are presented as cash flow from operating activities.

Telia Company as a lessor

In arrangements where Telia Company is a lessor, determination of whether each lease is a finance

lease or an operating lease is made at lease inception. If substantially all of the risk and rewards incidental to the ownership are transferred, then the lease is a finance lease. If not, it is an operating lease. If a contract includes both lease and non-lease components, Telia Company allocates the consideration to the components identified on the basis of relative stand-alone selling prices.

Telia Company as finance lessor
Telia Company owns assets that are leased to customers under finance lease agreements. Amounts due from lessees are recognized as receivables at the amount of the net investment in the leases, which equals the net present value. Interest income is recognized over the lease term on an annuity basis.

Telia Company as operating lessor
Rental revenue from operating leases are recognized on a straight-line basis over the term of the relevant lease.

C4. Group composition, climate related disclosures and and events after the reporting period

Group composition

Subsidiaries
Telia Company AB's subsidiaries as of December 31, 2023, are disclosed in Note P11. Subsidiaries with non-controlling interests are disclosed in Note C20. For information regarding discontinued operations and assets held for sale, see Note C34.

Associated companies and joint ventures
For information regarding associated companies and joint ventures, see Note C15.

Joint operations
Telia Company owns four joint operations; Svenska UMTS-nät AB (SUNAB) in Sweden, TT-Netværket P/S (TT) in Denmark, Suomen Yhteisverkko Oy in Finland and Haysquare AB (former Springworks International) in Other operations. The following companies are network-sharing operations with Tele2 (SUNAB), Telenor (TT) and DNA (Suomen Yhteisverkko). Haysquare is a technology-sharing operation with autoSense. Telia Company holds 50% of the shares in SUNAB, TT and Haysquare. Telia Company owns 51% of the shares in Suomen Yhteisverkko, but based on the shareholders agreement the company is jointly controlled and equally governed by the consensus principle.

Climate-related disclosures
Potential significant climate related risks (as well as other types of risks in Telia Company's Risk Universe) and the group's ongoing and future mitigating activities are reflected in the approved forecasts used for impairment testing. See Note C2 and C12.

Telia Company has issued green Euro Medium Term Notes Program (EMTN) bonds and green hybrid bonds under its Green Bond Framework. See Note C21.

Most of Telia Company's total value chain Greenhouse Gas (GHG) emissions are generated in its supply chain. During 2023, Telia Company continued to engage with its suppliers, urging them to set science-based climate targets. See Note C25.

Telia Company has entered into power purchase agreements for renewable energy. See Note C27.

To align the performance measures for the long-term incentive programs (LTI) with the group's strategic sustainability priorities, Environmental, Social and Governance (ESG) targets have been included for the 2022 and 2023 LTI programs. See Note C32.

Events after the reporting period
On February 28, 2024, Telia Company announced that the sale of Telia Denmark has received regulatory approval from the Danish Competition Council. Telia Company now expects the transaction to close in early April 2024. See Note C34.

On March 4, 2024, Telia Company announced an invitation to holders of certain outstanding SEK and EUR notes for purchase subject to the conditions and the restrictions described in the tender offer memonrandum dated March 4, 2024.

On March 12, 2024 Telia Company announced that Markus Messerer, Senior Vice President, Chief Strategy & Commercial Officer, will leave the Telia to pursue opportunities outside the company.

On March 12, 2024, Telia Company announced the results of its tender offer in respect of certain outstanding SEK and EUR notes. Settlement of the aggregate principal amounts of SEK 1,925 million and EUR 350.0 million is expected to take place on March 13, 2024.

C5. Segment information

Telia Company's operating model is based on geographical areas with the exception of the segment TV and Media. The group's operations are managed and reported by the following operating segments: Sweden, Finland, Norway, Lithuania, Estonia and TV and Media. The organizations are country-based, except for the segment TV and Media which is based on its business nature. The heads of Sweden, Finland, Norway as well as TV and Media report directly to the CEO. The heads of Lithuania and Estonia also reports to the CEO, but is not part of GEM. Other operations are collectively reported.

Operations and network assets in Denmark to be sold are classified as held for sale and discontinued operations as of September 15, 2023 and are therefore not included in the segment information. Danish units that will not be sold are included in Other operations within continuing operations. Comparative segment information has been restated except for segment assets and segment liabilities. For information on discontinued operations, see Note C34.

- Sweden comprises Telia Company's mobile, broadband, TV and fixed-line operations in Sweden.
- Finland comprises Telia Company's mobile, broadband, TV and fixed-line operations in Finland.
- Norway comprises Telia Company's mobile, broadband, TV and fixed-line operations in Norway.
- Lithuania comprises Telia Company's mobile, broadband, TV and fixed-line operations in Lithuania.
- Estonia comprises Telia Company's mobile, broadband, TV and fixed-line operations in Estonia.
- TV and Media comprises the broadcasting and content production business mainly consisting of TV4 in Sweden and MTV in Finland.
- Other operations include mainly the operations in Latvia, Telia Finance and Group functions.

Segment information is based on the same accounting principles as for the group as a whole, except for inter-segment leases which are treated as operating leases. Inter-segment transactions are based on commercial terms. Besides Revenue and Operating income, principal segment control and reporting concepts are adjusted EBITDA, Investments in associated companies and joint ventures, Other operating segment assets and Operating segment liabilities, respectively (see Definitions).

Operating segment assets comprise total assets less non-operating interest-bearing receivables, non-current and short-term investments, pension obligation assets, foreign currency derivatives, accrued interest, tax assets and cash and cash equivalents. Operating segment liabilities contain total liabilities less non-operating interest-bearing liabilities, provisions for pensions and employment contracts, foreign currency derivatives, accrued interest and tax liabilities. For information on distribution of goodwill and other intangible assets with indefinite useful lives by reportable segments, see Note C12.

	January-December 2023 or December 31, 2023									
SEK in millions, except number of employees	**Sweden**	**Finland**	**Norway**	**Lithuania**	**Estonia**	**TV and Media**	**Other operations**	**Discontinued operations and assets and liabilities held for sale**	**Eliminations and other**	**Group**
Revenue	35,869	16,545	15,114	5,516	4,145	8,386	5,025	-	-1,814	**88,785**
of which external	*35,717*	*16,342*	*14,842*	*5,492*	*4,129*	*8,359*	*3,903*	-	-	***88,785***
Adjusted EBITDA	13,615	5,093	7,062	2,019	1,618	-225	1,072	-	-	**30,254**
Adjustment items within EBITDA	-186	-218	-534	-37	-15	-126	-747	-	-	**-1,861**
Amortization, depreciation and impairment losses	-7,203	-6,449	-4,331	-868	-610	-1,799	-2,256	-	-	**-23,517**
of which impairment losses[1]	*-255*	*-2,800*	*-23*	*-4*	-	*-900*	*-80*	-	-	***-4,062***
Income from associated companies and joint ventures	0	0	0	0	6	1	97	-	-	**105**
Operating income	**6,226**	**-1,574**	**2,197**	**1,115**	**999**	**-2,149**	**-1,833**	**-**	**-**	**4,980**
Financial items, net										**-3,876**
Income taxes										**-1,099**
Net income from continuing operations										**6**
Investments in associated companies and joint ventures	2	3	149	0	56	7	973	-	-	**1,190**
Other operating segment assets	48,251	35,378	45,908	7,403	6,212	12,118	25,036	-	-2,167	**178,139**
Current and deferred tax assets										**1,329**
Other unallocated assets										**37,499**
Assets classified as held for sale								8,310		**8,310**
Total assets										**226,468**
Operating segment liabilities	15,291	5,134	7,087	1,432	1,069	3,438	7,726	-	-2,172	**39,004**
Current and deferred tax liabilities										**9,926**
Other unallocated liabilities										**116,376**
Liabilities directly associated with assets classified as held for sale								4,169		**4,169**
Total non-current and current liabilities										**169,475**
Investments, continuing operations	7,618	3,584	3,794	575	582	252	5,975	-	-	**22,381**
of which CAPEX excluding fees for licenses, spectrum and right-of-use assets, continuing operations	*3,252*	*1,494*	*2,381*	*455*	*426*	*185*	*5,435*	-	-	***13,628***
Number of employees, continuing operations	4,053	2,464	1,249	1,480	1,222	1,253	6,176	-	-	**17,897**

1) For more information regarding impairments, see Note C12 and Note C13.

	January-December 2022 or December 31, 2022									
SEK in millions, except number of employees	**Sweden**	**Finland**	**Norway**	**Denmark**	**Lithuania**	**Estonia**	**TV and Media**	**Other operations**	**Eliminations and other**	**Group**
Revenue[2]	35,112	15,171	15,022	-	4,784	3,637	8,829	4,330	-1,304	**85,580**
of which external[2]	*35,034*	*14,998*	*14,967*	-	*4,763*	*3,625*	*8,826*	*3,368*	-	***85,580***
Adjusted EBITDA	13,508	4,443	6,750	-	1,688	1,330	276	959	-	**28,954**
Adjustment items within EBITDA	-109	-131	-78	-	-6	66	-24	-541	-	**-824**
Amortization, depreciation and impairment losses	-7,508	-13,028	-12,523	-	-831	-668	-1,103	-1,785	-	**-37,445**
of which impairment losses[1]	*-447*	*-9,500*	*-8,500*	-	-	-	*-316*	*-513*	-	***-19,276***
Income from associated companies and joint ventures	-1	0	0	-	-	6	-1	96	-	**100**
Operating income	**5,891**	**-8,716**	**-5,851**	**-**	**850**	**734**	**-852**	**-1,271**	**-**	**-9,214**
Financial items, net										**-3,340**
Income taxes										**-1,355**
Net income from continuing operations										**-13,910**
Investments in associated companies and joint ventures	2	3	35	7	-	51	5	950	-	**1,053**
Other operating segment assets	46,758	38,300	49,687	7,765	7,498	6,259	13,343	25,620	-2,586	**192,644**
Current and deferred tax assets										**1,296**
Other unallocated assets										**27,800**
Assets classified as held for sale										**-**
Total assets										**222,793**
Operating segment liabilities	13,351	5,224	7,327	2,815	1,975	1,382	3,381	8,072	-2,591	**40,937**
Current and deferred tax liabilities										**11,269**
Other unallocated liabilities										**102,915**
Liabilities directly associated with assets classified as held for sale										**-**
Total non-current and current liabilities										**155,120**
Investments, continuing operations	5,531	2,474	3,455	-	978	582	438	6,634	-	**20,095**
of which CAPEX excluding fees for licenses, spectrum and right-of-use assets	*3,312*	*1,566*	*2,932*	-	*597*	*374*	*182*	*6,303*	-	***15,266***
Number of employees, continuing operations[2]	4,172	2,711	1,334	-	1,555	1,269	1,264	6,188	-	**18,493**

1) For more information regarding impairments, see Note C12 and Note C13. 2) Restated for comparability, see Note C1.

C6. Revenue

Disaggregation of revenue

The group derives revenue from the sale of goods and services in the following major product lines and reportable segments in 2023 and 2022, respectively.

	Jan-Dec 2023								
SEK in millions	Sweden	Finland	Norway	Lithuania	Estonia	TV and Media	Other operations	Elimi-nations	Total
Mobile end user revenue	12,412	6,605	7,444	1,808	1,198	-	1,760	-	31,227
Mobile interconnect	477	292	396	81	54	-	58	-	1,358
Other mobile service revenue	620	1,261	1,048	31	20	-	34	-	3,013
Mobile service revenue	**13,509**	**8,158**	**8,888**	**1,919**	**1,272**	**-**	**1,852**	**-**	**35,598**
Telephony	1,105	48	56	157	90	-	0	-	1,455
Broadband	5,805	1,168	1,678	860	804	-	-	-	10,315
TV	2,469	604	1,703	430	350	2,974	-	-	8,530
Business solutions	3,655	3,474	348	428	410	1	51	-	8,368
Other fixed service revenue	2,871	399	47	444	527	0	0	-	4,288
Fixed service revenue	**15,906**	**5,694**	**3,832**	**2,319**	**2,181**	**2,974**	**51**	**-**	**32,956**
Advertising revenue	-	-	-	-	-	5,192	-	-	5,192
Other service revenue	987	229	135	20	3	193	599	-	2,166
Total service revenue[1]	**30,401**	**14,081**	**12,854**	**4,259**	**3,456**	**8,359**	**2,502**	**-**	**75,912**
Equipment revenue[1]	5,316	2,261	1,987	1,234	673	-	1,402	-	12,872
Total external revenue	**35,717**	**16,342**	**14,842**	**5,492**	**4,129**	**8,359**	**3,903**	**-**	**88,784**
Internal revenue	152	203	272	24	16	26	1,121	-1,815	0
Total revenue	**35,869**	**16,545**	**15,114**	**5,516**	**4,145**	**8,386**	**5,025**	**-1,814**	**88,785**

1) In all material aspects, equipment revenue is recognized at a point in time and service revenue over time.

	Jan-Dec 2022[2]								
SEK in millions	Sweden	Finland	Norway	Lithuania	Estonia	TV and Media	Other operations	Elimi-nations	Total
Mobile end user revenue	12,317	5,990	7,460	1,481	1,007	-	1,505	-	29,761
Mobile interconnect	479	331	438	111	65	-	83	-	1,507
Other mobile service revenue	564	1,035	807	35	17	-	38	-	2,496
Mobile service revenue	**13,360**	**7,356**	**8,706**	**1,627**	**1,089**	**-**	**1,626**	**-**	**33,764**
Telephony	1,385	42	97	167	92	-	1	-	1,784
Broadband	5,587	1,094	1,690	714	708	-	-	-	9,792
TV	2,265	550	1,701	399	312	2,831	-	-	8,060
Business solutions	3,437	3,148	338	334	351	1	56	-	7,665
Other fixed service revenue	2,824	361	110	409	432	0	0	-	4,136
Fixed service revenue	**15,498**	**5,195**	**3,936**	**2,023**	**1,896**	**2,832**	**57**	**-**	**31,436**
Advertising revenue	-	-	-	-	-	5,820	-	-	5,820
Other service revenue	994	231	161	13	8	175	445	-	2,027
Total service revenue[1]	**29,852**	**12,782**	**12,803**	**3,663**	**2,994**	**8,826**	**2,127**	**-**	**73,047**
Equipment revenue[1]	5,182	2,216	2,164	1,099	631	-	1,241	-	12,533
Total external revenue	**35,034**	**14,998**	**14,967**	**4,763**	**3,625**	**8,826**	**3,368**	**-**	**85,580**
Internal revenue	78	174	55	21	12	3	961	-1,305	0
Total revenue	**35,112**	**15,171**	**15 022**	**4,784**	**3,637**	**8,829**	**4,330**	**-1,305**	**85,580**

1) In all material aspects, equipment revenue is recognized at a point in time and service revenue over time.
2) Restated for comparability, se note C1.

External revenue based on the location where the sale occurred and non-current assets[1], respectively, were distributed among individually material countries as follows.

	Jan-Dec 2023		Jan-Dec 2022		Dec 31, 2023		Dec 31, 2022	
	Revenue				Non-current assets			
	SEK in millions	%	SEK in millions	%	SEK in millions	%	SEK in millions	%
Sweden	42,294	47.6	42,154	49.3	58,980	37.5	58,288	34.3
Finland	18,418	20.7	16,985	19.9	36,071	22.9	38,532	22.7
Norway	14,874	16.8	14,977	17.5	45,348	28,8	49,288	29.0
Denmark	44	0.0	18	0,0	98	0.1	6,810	4.0
Lithuania	5,756	6.5	4,991	5.8	7,994	5,1	8,119	4.8
Estonia	4,138	4.7	3,625	4.2	5,679	3.6	5,626	3.3
All other countries	3,261	3.7	2,831	3.3	3,232	2.1	3,193	1.9
Total	**88,785**	**100,0**	**85,580**	**100.0**	**157,402**	**100.0**	**169,857**	**100.0**

1) Non-current assets relate to intangible assets, property, plant and equipment, costs to obtain a contract, non-current contract assets, right-of-use assets and non-current film and program rights.

Assets and liabilities related to contracts with customers

Costs to obtain a contract

Costs to obtain a contract are incremental costs incurred resulting in obtaining a contract with a customer, which Telia Company would not have incurred if the contract had not been obtained. These costs are typically external commissions paid, internal commission or bonus paid related to obtaining a new contract. Closing balance for Cost to obtain a contract amounted to SEK 1,308 million (1,522). Amortization in 2023 amounted to SEK 1,117 million (1,095). Other changes during the year were mainly due to new contracts of SEK 1,128 million (1,371). Costs to obtain a contract are included in Other non-current assets. The amortization is included in the line item Other external expenses (within EBITDA) in the income statement, see Note C7.

Contract assets

Contract assets mainly refer to transactions where Telia Company satisfies a performance obligation to transfer equipment that is part of a bundle to the customer, but the payment for the equipment is dependent on Telia Company satisfying another performance obligation in the contract, for example a mobile subscription. Total contract assets amounted to SEK 512 million (493) of which SEK 139 million (115) are included in Other non-current assets and SEK 372 million (378) are included in Trade and other current receivables and assets.

Contract liabilities

Contract liabilities primarily relate to deferred revenue such as prepaid subscriptions and other prepaid telecom charges. Total contract liabilities amounted to SEK 3,356 million (3,337), of which SEK 12 million (10) are included in Other non-current liabilities and SEK 3,344 million (3,327) are included in Trade payables and other current liabilities. The opening balance for contract liabilities has, in all material aspects, been recognized as revenue during the year.

For information on revenue from leases, see Note C28.

Unsatisfied performance obligations

The following reflects the amount of the transaction price in long-term contracts, which relates to either partially or fully unsatisfied performance obligation as of December 31, 2023.

SEK in millions, Expected revenue recognition of unsatisfied performance obligations	2024	2025	2026	2027 and onwards	Total Dec 31, 2023	Total Dec 31, 2022
Total unsatisfied performance obligations	9,488	3,955	1,285	524	15,252	14,745

The disclosures in the table above do not include unsatisfied performance obligations where Telia Company has a right to consideration from a customer based on time incurred.

C7. Goods and services purchased and Other external expenses

SEK in millions	Jan–Dec 2023	Jan–Dec 2022
Goods and services purchased		
Goods and sub-contracting services purchased and change in inventories	-29,732	-28,150
whereof amortization and impairment losses of film and program rights[1]	*-5,908*	*-5,557*
Interconnect and roaming expenses	-2,493	-2,635
Other network expenses	-1,545	-1,437
Total Goods and services purchased	**-33,770**	**-32,222**
Other external expenses		
Marketing expenses	-2,799	-2,944
whereof amortization of cost to obtain a contract	*-1,117*	*-1,095*
IT expenses and consultancy fees	-4,200	-4,218
whereof capitalized consultancy fees	*629*	*804*
Property and energy costs	-2,311	-2,366
Other	-2,104	-2,168
Total Other external expenses	**-11,414**	**-11,696**

1) For changes in Film and program rights, see Note C14.

The line item Amortization, depreciation and impairment losses in the income statement relates to intangible assets, property, plant and equipment and right-of-use assets.

C8. Other operating income and Other operating expenses

Other operating income and expenses were distributed as follows.

SEK in millions	Jan–Dec 2023	Jan–Dec 2022
Other operating income		
Capital gains	56	202
Exchange rate gains	592	659
Commissions, license and patent fees, etc.	33	96
Grants	33	4
Recovered accounts receivable	35	44
Court-settled fees with other operators	-	3
Damages received	4	4
Total other operating income	**753**	**1,012**
Other operating expenses		
Capital losses	-116	-71
Transaction costs in business combinations	-33	-119
Provisions for onerous contracts	-	0
Exchange rate losses	-588	-831
Damages and other[1]	-428	-10
Total other operating expenses	**-1,165**	**-1,031**
Net effect on income	**-412**	**-19**
of which net exchange rate gains (+)/losses (-) on derivative instruments measured at fair value through income statement	*56*	*132*

1) Damages and other in 2023 is mainly related to a VAT audit in Norway, see Note C30.

C9. Finance income and Finance costs

Finance income and finance costs were distributed as follows.

SEK in millions	Jan–Dec 2023	Jan–Dec 2022
Finance income		
Interest income	998	279
of which from Financial assets at amortized cost	*466*	*173*
of which from Bonds at fair value through income statement	*291*	*30*
of which from Bonds at fair value through OCI	*25*	*1*
of which from Derivatives at fair value through income statement	*-40*	*-28*
of which from Finance leases	*87*	*65*
of which from Net defined benefit pension asset/obligation	*154*	*-*
of which from Other	*15*	*39*
Net change in fair value on financial instruments not in a designated hedge relationship	167	-
Other finance income	-	2
Net exchange rate gains	-	54
of which exchange rate gains	*-*	*65,047*
of which exchange rate losses	*-*	*-64,993*
Total finance income	**1,165**	**336**

SEK in millions	Jan–Dec 2023	Jan–Dec 2022
Finance costs		
Interest expenses	-4,910	-3,054
of which from Borrowings and other financial liabilities at amortized cost	*-2,938*	*-2,580*
of which from Derivatives identified as hedging instruments	*-1,062*	*191*
of which from Derivatives at fair value through income statement	*-24*	*-106*
of which from Lease liabilities	*-664*	*-397*
of which from Unwinding of discounts on provisions	*-114*	*-97*
of which from Net defined benefit pension asset/obligation	*-*	*-10*
of which from Capitalized interest	*155*	*129*
of which from Other	*-264*	*-184*
Net change in fair value on financial instruments not in a designated hedge relationship	-2	-533
Ineffectiveness on hedges	-70	-84
Other finance costs	-10	-6
Net exchange rate losses	-48	-
of which exchange rate gains	*75,291*	*-*
of which exchange rate losses	*-75,339*	*-*
Total finance costs	**-5,041**	**-3,677**
Finance net	**-3,876**	**-3,340**

C10. Income taxes

Income tax items recognized in comprehensive income and directly in equity were distributed as follows.

SEK in millions	Jan–Dec 2023	Jan–Dec 2022
Income tax items recognized in net income		
Current tax	-1,346	-1,944
Adjustment of current tax related to prior years	-210	-1
Effect on current tax from tax reduction	-	46
Current tax reduction from use of prior period unrecognized tax loss, tax credit or temporary difference	53	2
Deferred tax, temporary differences	369	602
Deferred tax reduction from use of prior period unrecognized tax loss, tax credit or temporary differences	-	8
Adjustment of deferred tax related to prior years	36	-69
Total income tax expense recognized in net income	**-1,099**	**-1,355**
Income tax items recognized in other comprehensive income		
Current tax	6	317
Deferred tax	502	-964
Total income tax recognized in other comprehensive income	**508**	**-647**
Income tax items recognized directly in equity		
Current tax	-	22
Total income tax recognized directly in equity	**-**	**22**

Income before taxes was SEK 1,105 million in 2023 and SEK -12,555 million in 2022. The difference between the nominal Swedish income tax rate and the effective tax rate comprises the following components.

%	Jan–Dec 2023	Jan–Dec 2022
Swedish income tax rate	20.6	20.6
Effect of higher or lower tax rates in subsidiaries	-6.3	-0.4
Withholding tax on earnings in subsidiaries and associated companies	0.2	-
Adjustment of current tax related to prior years	19.0	0.0
Adjustment of deferred tax related to prior years	-3.3	-0.5
Effect on tax expense from tax reduction	-	0.4
Income from associated companies[1]	-2.0	0.2
Current year losses and change in temporary difference for which no deferred tax asset was recognized	-2.7	-0.3
Non-deductible expenses[1,2]	77.5	-30.7
Tax exempt income	-4.6	0.1
Tax effect of income transferred to discontinued operations	1.0	-0.1
Effective tax rate in net income	**99.5**	**-10.8**
Effective tax rate excluding effects from associated companies	*101.5*	*-11.0*

1) 2022 restated for comparability related to income from associated companies and non-deductible expenses.

2) Non-deductible expenses in 2023 was mainly related to impairments of goodwill in Finland and TV and Media and in 2022 impairments of goodwill in Finland, Norway and Latvia.

Deferred tax assets and liabilities were distributed and changed as follows.

	Dec 31, 2023			Dec 31, 2022		
SEK in millions	Deferred tax assets	Deferred tax liabilities	Net	Deferred tax assets	Deferred tax liabilities	Net
Opening balance	1,071	10,514	-9,443	1,302	10,185	-8,883
Recognized in income statement	53	-352	405	977	463	514
Recognized in OCI	131	-371	502	-964	0	-964
Acquired/disposed operations	-	-	-	6	-	6
Exchange rate differences	-72	-222	150	112	228	-116
Subtotal	**1,183**	**9,569**	**-8,386**	**1,433**	**10,876**	**-9,443**
Reclassifications	-	-	-	-362	-362	-
Reclassification to assets/liabilities held for sale	-	-556	556	-	-	-
Closing balance	**1,183**	**9,013**	**-7,830**	**1,071**	**10,514**	**-9,443**

Deferred tax assets and liabilities are allocated to the following temporary differences and tax loss carry-forward.

	Dec 31, 2023		2023	Dec 31, 2022		2022
SEK in millions	Deferred tax assets	Deferred tax liabilities	Recognized in income statement	Deferred tax assets	Deferred tax liabilities	Recognized in income statement
Non-current assets[2,3]	1,961	12,432	631	2,265	13,610	848
Provisions[3]	578	2	-280	395	-	-392
Liabilities[2,3]	3,570	353	-406	3,287	161	266
Trade receivables and other current assets[3]	92	13	5	103	17	95
Interest expense	295	-	295	0	-	0
Capitalized R&D and tax reduction[2]	161	-	3	158	-	16
Tax loss carry-forward	43	-	-15	72	-	-51
Withholding taxes subisidiaries and associates[1]	-	568	-116	-	451	-164
Profit equalization reserves[2]	10	1,173	289	3	1,486	-103
Total deferred tax assets/liabilities	**6,710**	**14,541**	**405**	**6,282**	**15,725**	**514**
Offset deferred tax assets/liabilities	-5,528	-5,528		-5,211	-5,211	
Net deferred tax assets/liabilities	**1,183**	**9,013**		**1,071**	**10,514**	

1) Including deferred tax liability related to undistributed earnings in Estonia and Latvia.
2) Deferred tax asset 2022 restated for comparability.
3) Deferred tax liability 2022 restated for comparability.

Unrecognized deferred tax

Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax asset is recognized were expected to expire as follows.

Expected expiry, SEK in millions	2024	2025	2026	2027	2028	2029-2031	Unlimited	Total
Temporary differences	-	-	-	-	-	-	33	**33**
Tax losses	-	-	-	-	-	214	2,228	**2,441**
Tax credits	-	-	115	256	97	-	-	**468**
Total gross value	**-**	**-**	**115**	**256**	**97**	**214**	**2,261**	**2,942**

As of December 31, 2023 and 2022, unrecognized deferred tax liabilities for temporary differences for undistributed earnings in subsidiaries totaled SEK 3 million and SEK 5 million, respectively.

Tax losses carry-forward for which no deferred tax assets are recognized are mainly related to Dutch holding companies referring primarily to impairments of loans connected to formerly owned subsidiaries. Telia Company's accumulated tax loss carry-forward were SEK 2,441 million in 2023 (2,725).

International tax reform – Pillar Two model

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions where Telia Company operates. The legislation will be effective for the group's financial year beginning January 1, 2024. Telia Company is in scope of the enacted or substantively enacted legislation and has performed an assessment of the potential exposure to Pillar Two income taxes. The assessment of the potential exposure to Pillar Two income taxes is based on the most recent tax filings, country-by-country reporting and financial statements for the constituent entities in the group. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which the group operates are above 15%. However, there are a limited number of jurisdictions where the transitional safe harbour relief does not apply, and the Pillar Two effective tax rate is below 15%. Telia Company does not expect a material exposure to Pillar Two income taxes in those jurisdictions.

Telia Company has applied the temporary exception from the accounting requirements for deferred taxes in IAS 12. Accordingly, Telia Company neither recognizes nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

C11. Other comprehensive income

Other comprehensive income was distributed as follows.

SEK in millions	Equity component	Jan–Dec 2023	Jan–Dec 2022
Other comprehensive income that may be reclassified to net income			
Foreign currency translation differences			
Translation of foreign operations, continuing operations	Foreign currency translation reserve	-1,543	3,918
Translation of foreign operations, discontinuing operations	Foreign currency translation reserve	-22	181
Translation of foreign non-controlling interests, continuing operations	Non-controlling interests	-50	391
Transferred to net income on disposal of operations	Foreign currency translation reserve	-2	12
Hedging of foreign operations, continuing operations	Foreign currency translation reserve	-29	-1,954
Income tax effect, continuing operations	Foreign currency translation reserve	6	403
Total foreign currency translation differences		**-1,640**	**2,951**
of which attributable to non-controlling interests		*-50*	*391*
Cash flow hedges			
Net changes in fair value	Hedging reserve	-38	206
Transferred to financial items in net income	Hedging reserve	-62	61
Income tax effect	Hedging reserve	21	-55
Total cash flow hedges		**-79**	**212**
Cost of hedging			
Changes in fair value	Cost of hedging reserve	-58	155
Transferred to financial items in net income	Cost of hedging reserve	-43	-
Income tax effect	Cost of hedging reserve	21	-32
Total cost of hedging		**-81**	**123**
Debt instruments at fair value through OCI			
Net changes in fair value	Fair value reserve	2	-7
Income tax effect	Fair value reserve	0	1
Total debt instruments at fair value through OCI		**2**	**-5**
Total other comprehensive income that may be reclassified to net income		**-1,798**	**3,280**
of which total income tax effects (see also Note C10)		*47*	*317*
of which attributable to non-controlling interests		*-50*	*391*

SEK in millions	Equity component	Jan–Dec 2023	Jan–Dec 2022
Other comprehensive income that will not be reclassified to net income			
Equity instruments at fair value through OCI			
Net changes in fair value	Fair value reserve	310	-52
Total equity instruments at fair value through OCI		**310**	**-52**
Remeasurements of defined benefit pension plans			
Remeasurements	Retained earnings	-2,253	4,759
Income tax effect	Retained earnings	461	-964
Total remeasurements of defined benefit pension plans		**-1,792**	**3,794**
Total other comprehensive income that will not be reclassified to net income		**-1,482**	**3,742**
of which total income tax effects (see also Note C10)		*461*	*-964*
Total other comprehensive income		**-3,280**	**7,022**
of which attributable to non-controlling interests, continuing operations		*-50*	*391*

See Note C22 for details of remeasurements of defined benefit pension plans.

The hedging reserve comprises gains and losses on derivatives hedging interest rate and foreign currency exposure, with a net effect in equity of SEK -79 million as of December 31, 2023, and SEK 212 million as of December 31, 2022. Future gains or losses will affect net income in 2024, 2025, 2026 and later, when the hedged items mature. See also section "Financial instruments" in Note C3.

C12. Goodwill and Other intangible assets

The total carrying value was distributed and changed as follows.

SEK in millions	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022
	Goodwill		Other intangible assets	
Accumulated cost	79,718	87,984	67,323	70,720
Accumulated amortization	-	-	-43,356	-44,922
Accumulated impairment losses	-35,940	-37,402	-1,724	-1,833
Carrying value	**43,777**	**50,583**	**22,242**	**23,965**
of which work in progress	-	-	*2,146*	*3,136*
Carrying value, opening balance	50,583	66,302	23,965	23,641
Investments	-	-	4,834	4,095
of which capitalized interest	-	-	*53*	*41*
Discards	-	-	-7	-1
Operations acquired	45	0	8	-
Adjusted purchase price allocation, Santa Monica Networks	-	-121	-	131
Operations divested	-84	-	-1	-19
Reclassifications	-	-	45	247
Amortization for the year	-	-	-4,849	-4,420
Impairment losses for the year	-3,700	-19,100	-75	-329
Exchange rate differences	-1,212	3,501	-333	620
Reclassification to assets classified as held for sale	-1,854	-	-1,344	-
Carrying value, closing balance	**43,777**	**50,583**	**22,242**	**23,965**

As a result of assessments performed, impairments of SEK 75 million has been recognized in 2023 related to Other intangible assets (capitalized development expenses) in Other operations. Impairments in 2022 mainly related to the C More brand in TV and Media.

The carrying value for intangible assets with indefinite useful lives is SEK 1,815 million (1,815) and is related to brands in TV and Media. These brands serve as umbrella brands under which the various TV and Media businesses are operated. The TV and Media brands (except for the C More brand) are deemed to be lasting in the sense that the brands are expected to remain as long as there is a commercial interest from advertisers, viewers and Telia Company. Additionally, the brands have a long history, are well known and are established in Sweden and Finland. Therefore, the remaining useful lives for these brands have been deemed indefinite.

For amortization rates applied, see section "Useful lives" in Note C2.

The goodwill impairment and the total carrying value of goodwill were distributed by reportable segments and cash generating units as follows.

SEK in millions	Goodwill impairment 2023	Goodwill impairment 2022	Carrying value of goodwill Dec 31, 2023	Carrying value of goodwill Dec 31, 2022
Sweden	-	-	2,047	2,047
Finland	2,800	9,500	16,158	19,027
Norway	-	8,500	17,858	19,069
Denmark	-	600	-	1,857
Lithuania	-	-	3,124	3,121
Estonia	-	-	2,840	2,837
TV and Media	900	-	556	1,456
Other operations	-	500	1,194	1,168
of which Latvia	-	*500*	*969*	*943*
of which other	-	-	*225*	*225*
Total goodwill	**3,700**	**19,100**	**43,777**	**50,583**

The total carrying value of other intangible assets was distributed by asset type as follows.

SEK in millions	Dec 31, 2023	Dec 31, 2022
Trade names	1,928	1,931
Telecom licenses and spectrum permits	6,937	6,982
Customer and vendor relationships, interconnect and roaming agreements	5,190	6,454
Capitalized development expenses[1]	6,058	5,299
Other	58	158
Work in progress, advances[1]	2,072	3,140
Total other intangible assets	**22,242**	**23,965**

1) Capitalized development expenses and Work in progress, advances mainly refer to IT systems, supporting selling and marketing and administration.

Impairment testing

Goodwill

The impairment testing for continuing operations is described below. For information regarding measurement of discontinued operations, see Note C34. Goodwill is, for impairment testing purposes, allocated to cash generating units in accordance with Telia Company's business organization. Each country, and TV and Media constitutes a separate cash-generating unit (CGU). Carrying values of all cash-generating units are tested annually for impairment, or more frequently if there are indications that goodwill might be impaired.

Based on the impairment tests performed in the fourth quarter 2023 a total goodwill impairment of SEK 3,700 million (19,100) has been recognized in 2023. The impairment tests reflect an updated view of market conditions, the regulatory environment and investment plans. This updated view has resulted in a need for impairment of goodwill relating to Finland and TV and Media. The recoverable amounts for these cash generating units as of December 31, 2023, amounted to SEK 32,835 million for Finland and SEK 8,892 million for TV and Media. The impairment test for the CGU Norway has not identified any impairment need as of December 31, 2023, however the estimated recoverable amount was in the proximity of the carrying value as of December 31, 2023, and the CGU is sensitive to changes in WACC and the assumptions in the long-term plan.

For impairment testing purposes the carrying value is defined as segment operating capital and allocated common assets from Common Products and Services, less deferred tax on fair value adjustments and notionally adjusted for non-controlling interests in goodwill. The segment operating capital includes Right of use assets, but excludes lease liabilities. For definition of segment operating capital, see Note C5 and "Definitions."

The recoverable amounts (that is, the higher of value in use and fair value less cost to sell) are normally determined on the basis of value in use, applying discounted cash flow calculations. In all of the recoverable amount calculations, management used assumptions that it believes are reasonable based on the best information available. Management believes that value in use based on own business plan better reflects the value for Telia Company and of the long-term valuation, compared to the current market values that in some cases can be below the recoverable amount derived from Telia Company's own long-term business plans.

The key assumptions in the value in use calculations were sales growth, Adjusted EBITDA margin development, the weighted average cost of capital (WACC), CAPEX-to-sales ratio (CAPEX excluding Right-of-use assets), and the terminal growth rate of free cash flow. CAPEX for Right-of-use assets has been considered in the impairment test model.

The value in use calculations were based on forecasts approved by management, which management believes reflect past experience, forecasts in industry reports, and other externally available information. For Norway and Lithuania the CAPEX-to-sales ratio development in the forecast deviate from historical trends. In the forecast period the investments levels are lower as the peak of 5G modernization has been passed. For TV and Media the sales growth and the adjusted EBITDA-margin development in the forecast deviate from historical trends. Both the sales growth and the adjusted EBITDA-margin are expected to recover from the large drop in the Swedish advertising market in 2023.

Approved forecasts consider potential significant climate related risks (as well as other types of risks in Telia Company's Risk Universe) and the group's ongoing and future mitigating activities. Climate related risks are considered through, for example, the sales growth forecasts which include offerings based on circular business models (e.g. sales of pre-owned and refurbished phones, Device as a Service, buy back initiatives and repair services to enable reuse and recycling) and products and services that enable our customers to reduce GHG emissions and energy use (e.g remote meetings, IoT and other data-driven services).

EBITDA-margin and CAPEX-to-sales forecasts include impacts of higher energy prices and Telia Company's activities to manage the energy impacts and costs, including:

- increasing energy efficiency through new network hardware and power saving features.
- managing power consumption through decommissioning legacy networks and modernizing sites, for example relevant units are placed outdoors to reduce the need of cooling and
- only using renewable electricity when powering our operations covered by Guarantees of Origins or secured through long-term Power Purchasing Agreements for solar and wind and looking for alternatives to remaining fossil-based energy sources.

The CAPEX-to-sales forecasts are considering that investment decisions are preceded by environmental screening of energy consumption, waste and GHG emissions, which in turn affects for example product and service development and network construction. The group-wide re-use and recycling program for network equipment is part of the forecasts.

For more information on climate risks, goals and activities, see Directors' Report section Risks/Environment and Sustainability report section Climate and circularity including the TCFD report in Note S4.

The forecasted cash flows were discounted at the weighted average cost of capital (WACC) for the relevant cash-generating unit. The WACC is derived from the risk-free interest rate in local currency, the country risk premium, the business risk represented by the estimated beta, the local equity market risk premium and an estimated reasonable cost of borrowing above the risk-free rate. The pre-tax discount rate typically cannot be directly observed or measured. It is calculated by iteration – by first running DCF calculation using post-tax cash flows and a post-tax discount rate, and then determining what the pre-tax discount rate would need to be to cause value in use determined using pre-tax cash flows to equal the value in use determined by the post-tax DCF calculation.

The forecast periods, WACC rates and the terminal growth rates of free cash flow used to extrapolate cash flows beyond the forecast period varied by cash generating unit as presented below. In all cases management believes the terminal growth rates do not exceed the average growth rates for markets in which Telia Company operates.

	2023						
Years/%	Sweden	Finland	Norway	Lithuania	Latvia	Estonia	TV and Media
Forecast period (years)	5	5	5	5	5	5	5
Post-tax WACC rate (%)	5.6	5.7	6.5	6.5	6.5	6.4	7.9
Pre-tax WACC rate (%)	7.3	7.3	8.3	7.7	9.0	8.4	9.6
Terminal growth rate of free cash flow (%)	2.0	2.0	2.0	2.5	2.3	2.4	2.0

	2022							
Years/%	Sweden	Finland	Norway	Denmark	Lithuania	Latvia	Estonia	TV and Media
Forecast period (years)	5	5	5	5	5	5	5	5
Post-tax WACC rate (%)	5.7	6.0	6.2	5.9	7.2	7.4	7.1	7.7
Pre-tax WACC rate (%)	7.3	7.5	8.0	8.2	8.5	10.5	8.5	9.4
Terminal growth rate of free cash flow (%)	2.0	1.8	2.0	2.0	2.3	2.5	2.4	2.0

Sensitivity analysis – goodwill

The estimated recoverable amounts for Finland, Norway and TV and Media were in proximity of the carrying values as of December 31, 2023. As of December 31, 2022, the estimated recoverable amounts for Finland, Norway, Denmark, Latvia and TV and Media were in proximity of the carrying values.

The impairment tests assumed, in addition to the post-tax WACC rates and the terminal growth rates stated above, the following sales growth, Adjusted EBITDA margin and CAPEX-to-sales ranges (CAPEX excluding Right-of-use assets) during the next 5 years for the cash generating units (CGUs) that are sensitive to reasonable changes in assumptions.

	2023		
5-year period/%	Finland	Norway	TV and Media
Sales growth, lowest in period (%)	0.9	-0.1	-0.4
Sales growth, highest in period (%)	2.3	2.2	8.1
Adjusted EBITDA margin, lowest in period (%)	30.6	46.2	2.1
Adjusted EBITDA margin, highest in period (%)	33.2	47.2	15.8
CAPEX[1]-to-sales, lowest in period (%)	13.9	18.0	0.9
CAPEX[1]-to-sales, highest in period (%)	15.8	21.1	3.4

1) CAPEX excluding right-of-use assets

	2022				
5-year period/%	Finland	Norway	Denmark	Latvia	TV and Media
Sales growth, lowest in period (%)	0.6	0.2	-0.2	2.3	0.5
Sales growth, highest in period (%)	3.0	1.6	3.1	4.7	5.3
Adjusted EBITDA margin, lowest in period (%)	30.1	44.2	21.0	27.9	5.4
Adjusted EBITDA margin, highest in period (%)	33.2	45.4	26.6	28.7	19.2
CAPEX[1]-to-sales, lowest in period (%)	12.4	18.0	9.3	14.5	1.6
CAPEX[1]-to-sales, highest in period (%)	16.2	23.2	14.5	21.3	2.5

1) CAPEX excluding right-of-use assets

The upper part of the following table sets out how many percentage points each key assumption must change, all else being equal, in order for the recoverable value to equal carrying value for the respective cash generating unit. The lower part of the table first shows the SEK billion effect on the recoverable values of the cash generating units, should there be a one percentage point upward shift in WACC. Finally, it sets out the absolute SEK billion change of the recoverable value that would equal carrying value for the respective cash generating unit.

	2023		
Percentage points, SEK in billions	**Finland**	**Norway**	**TV and Media**
Sales growth each year in the 5-year period (%)	0.0	-1.9	0.0
Adjusted EBITDA margin each year in the 5-year period and beyond (%)	0.0	-3.8	0.0
CAPEX[1]-to-sales ratio each year in the 5-year period and beyond (%)	0.0	8.3	0.0
Terminal growth rate (%)	0.0	2.4	0.0
Post-tax WACC rate (%)	0.0	1.0	0.0
Effect of a one percentage-point upward shift in WACC (SEK in billions)	-3.9	-5.5	-0.9
Change in the recoverable value to equal the carrying value (SEK in billions)	0.0	-5.5	0.0

1) CAPEX excluding right-of-use assets

	2022				
Percentage points, SEK in billions	**Finland**	**Norway**	**Denmark**	**Latvia**	**TV and Media**
Sales growth each year in the 5-year period (%)	0.0	0.0	0.0	0.0	-1.9
Adjusted EBITDA margin each year in the 5-year period and beyond (%)	0.0	0.0	0.0	0.0	-0.9
CAPEX[1]-to-sales ratio each year in the 5-year period and beyond (%)	0.0	0.0	0.0	0.0	2.4
Terminal growth rate (%)	0.0	0.0	0.0	0.0	3.2
Post-tax WACC rate (%)	0.0	0.0	0.0	0.0	0.8
Effect of a one percentage-point upward shift in WACC (SEK in billions)	-4.5	-5.6	-0.6	-0.5	-1.2
Change in the recoverable value to equal the carrying value (SEK in billions)	0.0	0.0	0.0	0.0	-1.0

1) CAPEX excluding right-of-use assets

Brands with indefinite useful lives

The recoverable amounts for the brands in TV and Media (except for the C More brand which was fully impaired in 2022) have been determined based on fair value less costs to sell. The brands, which have indefinite useful lives, s are tested annually for impairment, or more frequently if there are indications that brands might be impaired. The fair value less costs to sell has been estimated based on the Relief of royalty method under the Income approach. Under this method the fair value of the brands is estimated to the present value of the after-tax royalty savings attributable to owning the brands.

The key assumptions in the fair value less costs to sell calculations for the brands were revenue growth, the WACC, the terminal growth rate of revenue and royalty rates. The revenue growth rates over the ten-year projected cash flow period are based on past performance and management's expectations of market development. The projected revenue cash flows were discounted at the WACC. The WACC was determined on the same basis as described for goodwill above, but with additional specific risk factors associated with intangible assets as compared to the TV and Media business as a whole. The royalty rates were determined based on license agreements for other strong brands within the media industry and the brand awareness of TV and Media's brands. The brand valuation is categorized in level three in the fair value hierarchy (see Note C3 for description of fair value hierarchies). The key assumptions used when determining the fair value less costs to sell for the brands are presented in the table below.

Years/%	**2023**	**2022**
Projected cash flow period (years)	10	10
Revenue growth (%)	(-3.6)-1.9	0.5-1.9
Post-tax WACC rate (%)	11.0	11.0
Terminal growth rate of revenue (%)	2.0	2.0
Royalty rates (weighted average) (%)	3.6	3.5-3.7

C13. Property, plant and equipment

The carrying value was distributed and changed as follows.

	December 31, 2023							
SEK in millions	**Property**	***Whereof leased out property***	**Plant and machinery**	***Whereof leased out plant and machinery***	**Equipment, tools and installations**	***Whereof leased out equipment, tools and installations***	**Total**	***Whereof leased out total[1]***
Accumulated cost	7,233	*7*	209,716	*8,458*	11,252	*2,620*	**228,200**	***11,086***
Accumulated depreciation	-4,447	*-6*	-143,355	*-6,355*	-7,528	*-1,392*	**-155,330**	***-7,753***
Accumulated impairment losses	-149	-	-2,476	*-135*	-65	-	**-2,690**	***-135***
Advances	-	-	1	-	-	-	**1**	**-**
Carrying value	**2,637**	***2***	**63,886**	***1,968***	**3,658**	***1,228***	**70,181**	***3,199***
of which assets under construction	-	-	*7,593*	-	-	-	***7,593***	**-**
Carrying value, opening balance	2,597	*2*	68,506	*2,155*	3,722	*1,105*	**74,824**	***3,262***
Investments	144	-	9,301	*365*	1,653	*837*	**11,098**	***1,202***
of which capitalized interest	-	-	*111*	-	*0*	-	***111***	**-**
Disposals	-4	*0*	-7	*2*	-77	*-26*	**-89**	***-25***
Dismantling, restoration and discard, net	29	*0*	718	*0*	-3	-	**744**	***0***
Operations acquired	-	-	0	-	1	-	**1**	**-**
Operations divested	-	-	-	-	-1	-	**-1**	**-**
Grants received	-	-	5	-	-	-	**5**	**-**
Reclassifications	210	*0*	-694	*201*	317	*43*	**-166**	***244***
Depreciation for the year	-291	*0*	-9,864	*-648*	-1,856	*-727*	**-12,011**	***-1,375***
Impairment losses for the year	-32	-	-250	*-24*	-5	-	**-287**	***-24***
Advances and settlement of advances, net	-	-	-3	-	3	-	-	**-**
Exchange rate differences	-16	*0*	-1,310	*-82*	-44	*-3*	**-1,370**	***-85***
Reclassification to assets classified as held for sale	0	-	-2,515	-	-50	-	**-2,566**	**-**
Carrying value, closing balance	**2,637**	***2***	**63,886**	***1,968***	**3,658**	***1,228***	**70,181**	***3,199***

1) Disclosures of leased out assets do not include assets which are mainly used in Telia Company's own operations, and where only a portion of the asset is leased out under an operating lease (mainly network assets).

	December 31, 2022							
SEK in millions	**Property**	***Whereof leased out property***	**Plant and machinery**	***Whereof leased out plant and machinery***	**Equipment, tools and installations**	***Whereof leased out equipment, tools and installations***	**Total**	***Whereof leased out total[1]***
Accumulated cost	7,102	*7*	215,191	*8,510*	11,663	*2,333*	**233,957**	***10,850***
Accumulated depreciation	-4,280	*-6*	-143,359	*-6,239*	-7,797	*-1,228*	**-155,436**	***-7,472***
Accumulated impairment losses	-225	-	-3,333	*-116*	-145	-	**-3,703**	***-116***
Advances	-	-	6	-	-	-	**6**	**-**
Carrying value	**2,597**	***2***	**68,506**	***2,155***	**3,722**	***1,105***	**74,824**	***3,262***
of which assets under construction	-	-	*10,214*	-	-	-	***10,214***	**-**
Carrying value, opening balance	2,315	*2*	67,040	*1,920*	3,386	*923*	**72,741**	***2,845***
Investments	154	-	10,636	*721*	1,716	*752*	**12,506**	***1,473***
of which capitalized interest	-	-	*91*	-	-	-	***91***	**-**
Disposals	-51	*0*	-7	*1*	-109	*-6*	**-166**	***-5***
Dismantling, restoration and discard, net	19	-	-93	*0*	-1	-	**-75**	***0***
Operations acquired	0	-	0	-	0	-	**0**	**-**
Operations divested	-2	-	-	-	-49	-	**-50**	**-**
Grants received	0	-	-62	-	-10	-	**-73**	**-**
Reclassifications	344	*0*	-965	*180*	432	*3*	**-189**	***183***
Depreciation for the year	-265	*0*	-9,412	*-660*	-1,827	*-623*	**-11,504**	***-1,283***
Impairment losses for the year	-1	-	-446	*-63*	0	-	**-447**	***-63***
Advances and settlement of advances, net	-	-	-34	-	34	-	-	**-**
Exchange rate differences	83	*0*	1,849	*56*	149	*56*	**2,081**	***112***
Carrying value, closing balance	**2,597**	***2***	**68,506**	***2,155***	**3,722**	***1,105***	**74,824**	***3,262***

1) Disclosures of leased out assets do not include assets which are mainly used in Telia Company's own operations, and where only a portion of the asset is leased out under an operating lease (mainly network assets).

The copper network in segment Sweden is expected to be dismantled by the end of 2026. In the fourth quarter 2023 the copper dismantling plan has been further reviewed and updated, which resulted in an increase of the related ARO provision of SEK 243 million, with a corresponding increase of the copper network assets. An impairment test has also been performed based on the updated dismantling plan resulting in an impairment of SEK 243 million of the Swedish copper network assets in the fourth quarter 2023. The impairment refers to segment Sweden and after the impairment the carrying value of the Swedish copper network assets amounts to SEK 295 million. The copper network assets are classified as Property and Plant and machinery within Property, plant and equipment in the statement of financial position.

In addition, as results of assessments performed, impairments of SEK 44 million have been recognized, related to Property, plant and equipment, mainly in Sweden and Norway.

Impairments in 2022 was mainly related to the copper network in segment Sweden amounting to SEK 422 million.

No general changes of useful lives were made in 2023. For depreciation rates applied, see section "Useful lives" in Note C2.

For information on contractual obligations regarding future acquisitions of property, plant and equipment, see Note C30.

Property

Telia Company's real estate holdings include approximately 5,000 properties, mainly in Sweden and Finland. The substantial majority is used solely for technical facilities, like network installations, computer installations, research centers and service outlets.

The total carrying value of property was distributed by depreciable/non-depreciable assets as follows.

SEK in millions	Dec 31, 2023	Dec 31, 2022
Depreciable property (buildings, etc.)	2,231	2,190
Non-depreciable property (land)	406	407
Total property	**2,638**	**2,597**

C14. Film and program rights

The total carrying value for Film and program rights was distributed and changed as follows.

SEK in millions	Dec 31, 2023	Dec 31, 2022
	Film and program rights	
Accumulated cost	13,028	10,937
Accumulated amortization	-9,056	-7,092
Accumulated impairment	-140	-140
Advances (Prepaid)	1,949	1,614
Carrying value	**5,781**	**5,320**
of which non-current	*2,931*	*2,299*
of which current	*2,851*	*3,022*
Carrying value, opening balance	5,320	4,420
Additions	6,333	6,411
Amortization for the year (included in EBITDA)	-5,908	-5,557
Exchange rate differences	36	47
Carrying value, closing balance	**5,781**	**5,320**

Amortization of film and program rights is included within Goods and services purchased (within EBITDA), see Note C7. Film and program rights are mainly related to segment TV and Media.

Contractual obligations regarding future acquisitions (or equivalent) of film and program rights which are not included in the consolidated statement of financial position represented the following expected maturities.

SEK in millions	Dec 31, 2023	Dec 31, 2022
	Film and program rights commitments	
Within 1-3 years	7,456	8,611
Within 4-10 years	3,329	4,905
Total	**10,785**	**13,516**

For other unrecognized contractual obligations, see Note C30.

C15. Investments in associated companies and joint ventures

The total carrying value was distributed as follows.

SEK in millions	Dec 31, 2023	Dec 31, 2022
Interests in associated companies	1,158	1,012
Interests in joint ventures	32	41
Total carrying value	**1,190**	**1,053**

Items recognized in net income and in total comprehensive income were distributed as follows.

	January–December	
SEK in millions	**2023**	**2022**
Income from associated companies	104	100
Income from joint ventures	1	-
Recognized in net income from continuing operations	**105**	**100**
Recognized in net income from discontinued operations	-1	2
Recognized in total comprehensive income	**104**	**102**

Information on non-material associated companies and joint ventures are not disclosed separately. Telia Company has four joint arrangements classified as joint operations, whereof one is included in discontinued operations. For additional information on those, see Note C4.

Statements of financial position, SEK in millions	Dec 31, 2023	Dec 31, 2022
Carrying value of associated companies (group's share)	1,158	1,012
Carrying value of joint ventures (group's share)	32	41
Total carrying value of investments in associated companies and joint ventures	**1,190**	**1,053**

Statements of comprehensive income, SEK in millions	Jan-Dec 2023	Jan-Dec 2022
Associated companies		
Revenue (100%)	4,568	4,076
Net income (group's share)	103	102
Total comprehensive income from associated companies	**103**	**102**
Joint ventures		
Net income (group's share)	1	-
Total comprehensive income joint ventures (group's share)	**1**	**-**
Group's share of total comprehensive income in associated companies and joint ventures	**104**	**102**
Dividends received from associated companies	134	136
Total dividends received from associated companies and joint ventures	**134**	**136**

The carrying value was distributed and changed as follows.

SEK in millions	Dec 31, 2023	Dec 31, 2022
Goodwill and fair value adjustments	115	19
Share of equity	1,075	1,034
Carrying value	**1,190**	**1,053**
Carrying value, opening balance	1,053	971
Share of net income for the year	111	102
Amortization and write-downs of fair-value adjustments	-8	-
Dividends received	-133	-136
Acquisitions and operations acquired	115	-
Reclassifications	60	46
Exchange rate differences	-3	71
Reclassification to assets classified as held for sale	-5	-
Carrying value, closing balance	**1,190**	**1,053**

The carrying value is broken down by reportable segment in Note C5 and by company as follows.

Company, corp. reg. no., registered office	Participa-tion (%)	Number of shares	Equity participation in consolidated accounts 2023	Equity participation in consolidated accounts 2022	Carrying value in the parent company 2023	Carrying value in the parent company 2022
			SEK in millions			
Parent company holdings						
Swedish companies						
SNPAC Swedish Number Portability Administrative Centre AB, 556595-2925, Stockholm	20	400	2	2	1	1
Solidsport AB, 556671-5586, Stockholm	27	4,600	16	10	27	20
Non-Swedish companies						
Valokuitu Kotiin Holding 1 Oy, 3101702- 4, Helsinki	40	5,150,673	0	0	61	32
Fjordkraft Mobil AS, 916319983, Bergen	39	1,000	115	-	115	-
Other operating, dormant and divested companies			0	0	0	0
Total parent company					**204**	**54**
Subsidiaries' holdings						
Swedish companies						
Mediamätning i Skandinavien MMS AB, 556353-3032, Stockholm	24	5,100	6	5		
Other operating and dormant companies			0	0		
Non-Swedish companies						
SK ID Solutions AS, 10747013, Tallinn	50	32	56	51		
SIA Tet, 000305278, Riga	49	101,850,587	957	940		
Nasjonal Referansedatabase AS, 983195156, Oslo	29	250	2	2		
Suomen Numerot NUMPAC Oy, 1829232-0, Helsinki	25	3,000	2	2		
Strex AS, 985867569, Oslo	49	49,001	32	33		
Other operating and dormant companies and assets classified as held for sale			2	8		
Total group			**1,190**	**1,053**		

For additional information related to associated companies, see Notes C29.

C16. Non-current interest-bearing receivables and Other non-current assets

The total carrying values were distributed as follows.

	Dec 31, 2023	Dec 31, 2022
Equity instruments	917	619
Bonds	5,420	3,701
Interest rate swaps	86	36
Cross-currency interest rate swaps	1,565	1,993
Loans and receivables	1,757	1,740
Finance lease receivables	325	353
Total financial assets (Note C26)	**10,070**	**8,442**
Cost to obtain a contract	1,308	1,522
Other contract assets	139	115
Deferred expenses	12	15
Total Non-current interest-bearing receivables and Other non-current assets	**11,529**	**10,094**
whereof interest-bearing	*8,998*	*7,629*
whereof non interest-bearing	*2,532*	*2,465*

For information on financial instrument categories and fair values see Note C26 and for credit risk exposure and management see Note C27. For lease information, see Note C28.

C17. Inventories

SEK in millions	Dec 31, 2023	Dec 31, 2022
Goods for resale	2,198	2,793
Other inventories and expense incurred on construction contracts	109	125
Total	**2,307**	**2,918**

Other inventories include purchased supplies that are mainly intended for use in constructing Telia Company's own installations and for repair and maintenance. No material amounts are carried at net realizable value.

C18. Trade and other current receivables and assets

The carrying values were distributed as follows.

SEK in millions	Dec 31, 2023	Dec 31, 2022
Currency derivatives (swaps and forwards)	439	52
Accounts receivable	8,941	9,230
Loans and receivables	2,242	2,380
Total financial assets (Note C26)	**11,622**	**11,662**
Other current receivables	817	992
Current contract assets	372	378
Deferred expenses	1,623	1,959
Total trade and other current receivables and assets	**14,433**	**14,991**

Loans and receivables mainly comprise accrued call, interconnect and roaming charges. Telia Company offers a diversified portfolio of mass-market services and products in a number of highly competitive markets, resulting in a limited credit risk concentration to individual markets and customers.

For Accounts receivable and Loans and receivables, as of the end of the reporting period, concentration of credit risk by geographical area and by customer segment were as follows.

SEK in millions	Dec 31, 2023	Dec 31, 2022
Geographical area		
Nordic countries	8,463	9,220
Baltic countries	2,358	1,889
Other countries	362	501
Total carrying value	**11,183**	**11,610**
Customer segment		
Consumers	3,821	3,852
Business customers	6,716	7,100
Other operators	634	647
Distributors	13	11
Total carrying value	**11,183**	**11,610**

In most cases, customers are billed in local currency. Receivables from and payables to other operators for international fixed-line traffic and roaming are normally settled net through clearing-houses. Contract assets are mainly related to the Nordic countries and the business customers.

As of the end of the reporting period, ageing of accounts receivable were as follows.

SEK in millions	Dec 31, 2023	Dec 31, 2022
Accounts receivable invoiced	9,521	10,106
Allowance for expected credit losses for accounts receivable	-580	-876
Total accounts receivable	**8,941**	**9,230**
Accounts receivable not due, net of allowances for expected credit losses	5,893	6,567
Accounts receivable past due, net of allowances for expected credit losses	3,047	2,663
of which less than 30 days	*2,213*	*1,955*
of which 30–180 days	*496*	*385*
of which more than 180 days	*338*	*323*
Total accounts receivable	**8,941**	**9,230**

As of the end of the reporting period, ageing of loans and receivables were as follows.

SEK in millions	Dec 31, 2023	Dec 31, 2022
Loans and receivables not due, net of allowance for expected credit losses	2,240	2,317
Loans and receivables past due but not impaired, net of allowance for expected credit losses	2	63
of which less than 30 days	*2*	*1*
of which 30–180 days	*-*	*62*
Total loans and receivables	**2,242**	**2,380**

The allowance for expected credit losses for loans and receivables is considered insignificant. There are no material contract assets past due or material allowance for expected credit losses related to contract assets.

The table below presents changes in the allowance for expected credit losses (ECL) for accounts receivable, expenses for credit losses and recovered amounts for acccounts receivable.

SEK in millions	Dec 31, 2023	Dec 31, 2022
Opening balance allowance for ECL for accounts receivable	876	968
Net of charges for expected losses in the period and receivables written off	125	-112
Reversals of allowances	-195	-30
Exchange rate differences	7	50
Reclassification to assets classified as held for sale	-235	-
Closing balance allowance for ECL, accounts receivable	**580**	**876**
Total expenses for credit losses, accounts receivable	422	410
Recovered accounts receivable (Note C8)	35	44

For information on financial instrument categories and fair values see Note C26 and for credit risk exposure and management see Note C27.

C19. Current interest-bearing receivables and Cash and cash equivalents

Current interest-bearing receivables

The carrying value of current interest-bearing receivables was distributed as follows.

SEK in millions	Dec 31, 2023	Dec 31, 2022
Interest rate swaps	-	28
Cross-currency interest rate swaps	1,101	232
Short-term investments	7,102	2,309
Loans and receivables	5,371	6,783
Finance lease receivables	323	324
Total current interest-bearing receivables (Note C26)	**13,896**	**9,676**

Cash and cash equivalents

The carrying value of cash and cash equivalents was distributed as follows.

SEK in millions	Dec 31, 2023	Dec 31, 2022
Cash equivalent short-term investments	403	-
Cash and bank	11,244	6,871
Total cash and cash equivalents (Note C26)	**11,646**	**6,871**

Information on blocked funds in bank accounts is presented in Note C30.

For information on financial instrument categories and fair values see Note C26 and for credit risk exposure and management see Note C27. For lease information, see Note C28.

C20. Equity and earnings per share

Share capital
According to the articles of association of Telia Company AB, the authorized share capital shall amount to no less than SEK 8 billion and no more than SEK 32 billion. All issued shares have been paid in full and carry equal rights to vote and participate in the assets of the company. Since December 31, 2005, the issued share capital changed as follows.

	Issued share capital (SEK)	Number of issued shares	Quotient value (SEK/share)
Issued share capital, December 31, 2005	14,960,742,621	4,675,232,069	3.20
Cancellation of shares repurchased in 2005, September 6, 2006	-591,279,539	-184,774,856	3.20
Issued share capital, December 31, 2006, 2007, 2008, 2009 and 2010	14,369,463,082	4,490,457,213	3.20
Cancellation of shares repurchased in 2011, July 19, 2011	-513,191,783	-160,372,432	3.20
Issued share capital, December 31, 2011, 2012, 2013, 2014, 2015, 2016, 2017 and 2018	13,856,271,299	4,330,084,781	3.20
Cancellation of shares repurchased in 2018 and 2019, May 3, 2019	-385,742,099	-120,544,406	
Bonus issue May 3, 2019	385,742,099		
Issued share capital, December 31, 2019	13,856,271,299	4,209,540,375	3.29
Cancellation of shares repurchased in 2019 and 2020, April 15, 2020	-394,695,610	-119,908,673	
Bonus issue April 15, 2020	394,695,610		
Issued share capital, December 31, 2020, 2021 and 2022	13,856,271,299	4,089,631,702	3.39
Cancellation of shares repurchased in 2022, April 20, 2023	-533,709,021	-157,522,416	
Bonus issue April 20, 2023	533,709,021		
Issued share capital, December 31, 2023	**13,856,271,299**	**3,932,109,286**	**3.52**

Treasury shares
No Treasury shares were repurchased in 2023 (SEK 5,400 million in 2022) and no shares were repurchased under the LTI 2020/2023 program (SEK 14 million in 2022). On April 5, 2023, the Annual General Meeting decided to make a cancellation of all held 157,522,416 treasury shares, reducing the share capital with SEK 533,709,021, and at the same time make a corresponding bonus issue of shares with SEK 533,709,021. The cancellation of shares and bonus issue was registered April 20, 2023.

The total number of issued and outstanding shares December 31, 2023 was 3,932,109,286 (4,089,631,702) and 3,932,109,286 (3,932,109,286) respectively.

Earnings per share and dividends

	Jan–Dec 2023	Jan–Dec 2022
Net income attributable to owners of the parent (SEK million)	303	-14,638
Average number of outstanding shares, basic and diluted (thousands)	3,932,109	4,035,313
Earnings per outstanding share, basic and diluted (SEK)	0.08	-3.63
Ordinary cash dividend (for 2023 as proposed by the Board of Directors)		
– Per share (SEK)	2.00	2.00
– Total based on outstanding shares (SEK million)	7,864	7,864

Subsidiaries with material non-controlling interests
Summarized financial information on subsidiaries with material non-controlling interests (NCI) is presented below. The amounts disclosed for each subsidiary are based on those included in the consolidated financial statements before inter-company eliminations and only the net asset in which the NCI has a share. Other comprehensive income (OCI) only comprises exchange rate differences arising on translation to SEK.

The NCI in Telia Lietuva, AB, is 11.8%. The group holds 49% of the shares in Latvijas Mobilais Telefons SIA (LMT). However, according to shareholders' agreements Telia Company has the board majority in LMT and the company is therefore regarded as a subsidiary. In addition, LMT is held partly by the associated company SIA Tet which decreases NCI to 39.7%. The NCI in Telia Towers AB, which includes the tower businesses in Sweden, Finland and Norway, is 49%.

Dividends paid to NCIs are disclosed in Note C31 "Cash flow information".

December 31, 2023 SEK in millions, except percentages	Telia Lietuva, AB, Lithuania	Latvijas Mobilais Telefons SIA, Latvia	Telia Towers AB, Sweden[1]	Other subsidiaries	Total
Assets					
Non-current assets	5,895	2,567	6,493		
Current assets	1,251	1,453	810		
Liabilities					
Non-current liabilities	-899	-1,408	-1,644		
Current liabilities	-1,858	-621	-967		
Net assets	**4,389**	**1,991**	**4,692**		
NCI percentage	11.8	39.7	49.0		
Carrying amount of NCI	**520**	**791**	**2,299**	**-84**	**3,526**
Revenue	5,484	1,895	2,190		
Net income	791	537	820		
Net income allocated to NCI	**94**	**213**	**402**	**-115**	**594**
Cash flows from operating activities	1,431	767	1,213		
Free cash flow	478	403	916		

1) Telia Towers AB owns the tower businesses in Sweden (Telia Towers Sweden AB), Finland (Telia Towers Finland Oy) and Norway (Telia Towers Norway AS).

December 31, 2022 SEK in millions, except percentages	Telia Lietuva, AB, Lithuania	Latvijas Mobilais Telefons SIA, Latvia	Telia Towers AB, Sweden[1]	Other subsidiaries	Total
Assets					
Non-current assets	5,994	2,586	6,070		
Current assets	1,040	916	575		
Liabilities					
Non-current liabilities	-1,245	-846	-1,150		
Current liabilities	-1,748	-973	-887		
Net assets	**4,041**	**1,683**	**4,609**		
NCI percentage	11.8	39.7	49.0		
Carrying amount of NCI	**479**	**669**	**2,258**	**28**	**3,434**
Revenue	4,758	1,652	1,869		
Net income	657	460	616		
Net income allocated to NCI	**78**	**183**	**302**	**-89**	**474**
Cash flows from operating activities	1,294	625	1,159		
Free cash flow	97	215	747		

1) Telia Towers AB owns the tower businesses in Sweden (Telia Towers Sweden AB), Finland (Telia Towers Finland Oy) and Norway (Telia Towers Norway AS).

C21. Non-current and current borrowings

Borrowings
Non-current and current borrowings were distributed as follows.

SEK in millions	Dec 31, 2023	Dec 31, 2022
Non-current borrowings		
Euro Medium Term Notes Program (EMTN)	57,014	52,658
Hybrid bonds	18,425	18,076
Other bilateral	1,918	1,880
Bank loans	805	413
Lease liabilities	14,511	13,971
Interest rate swaps	5,600	7,078
Cross-currency interest rate swaps	153	170
Other non-current borrowings	71	309
Total non-current borrowings (Note C26)	**98,497**	**94,555**
Current borrowings		
Euro Medium Term Notes Program (EMTN)	9,900	1,533
Hybrid bonds	-	1,127
Bank loans	579	857
Lease liabilities	3,156	3,261
Interest rate swaps	433	50
Cross-currency interest rate swaps	-	179
Other current borrowings	2	-
Total current borrowings (Note C26)	**14,069**	**7,007**
Total borrowings	**112,566**	**101,561**

Borrowings and Net debt SEK in millions	Dec 31, 2023 Maturity Span	Coupon average	Nominal amount, SEK	Carrying amount	Dec 31, 2022 Coupon average	Nominal amount, SEK	Carrying amount
Euro Medium Term Notes Program (EMTN)							
EMTN	2023				3.63	587	584
EMTN	2024-2028	3.66	24,642	24,452	3.60	22,678	21,982
EMTN	2029-2033	2.68	21,707	20,515	2.22	15,391	13,552
EMTN	2034-2038	2.32	13,260	12,529	1.89	11,277	10,163
EMTN	2039-2064	3.67	4,401	3,080	3.61	4,416	3,022
EMTN	2032	Zero	1,215	867	Zero	1,214	831
EMTN	2023	Float			Float	945	949
EMTN	2024-2028	Float	3,745	3,759	Float	2,400	2,409
EMTN	2029-2033	Float	987	990			
Green EMTN	2025	1.13	750	723	1.13	750	698
Other bilateral							
Bonds	2027-2032	4.07	1,109	1,146	4.07	1,108	1,144
Bonds	2031	Zero	1,109	772	Zero	1,108	736
Hybrid bonds							
Hybrid	2023				3.00	1,107	1,127
Hybrid	2082	4.63	6,652	6,653	4.63	6,646	6,615
Green Hybrid	2081-2083	2.13	12,196	11,772	2.13	12,185	11,461
Bank loans			1,384	1,384		1,270	1,270
Other borrowings			73	73		309	309
Total borrowings excluding leases and derivatives			**93,229**	**88,714**		**83,390**	**76,853**
Lease liabilities				17,667			17,232
Derivatives				6,186			7,477
Total borrowings				**112,566**			**101,561**
Borrowings, discontinued operations				1,309			-
Less 50% of hybrid capital				-9,418			-9,962
Less derivatives recognized as financial assets and hedging borrowings and related credit support annex (CSA)				-6,424			-7,373
Less non-current bonds and interest rate derivatives				-5,416			-3,698
Less short-term investments				-7,095			-2,261
Less cash and cash equivalents				-11,646			-6,871
Less cash and cash equivalents, discontinued operations				-118			-
Net debt				**73,758**			**71,397**

Normally, borrowings by Telia Company denominated in foreign currencies are swapped into SEK. The exceptions typically include funds borrowed to finance the group's operations or selective hedging of net investments abroad. See Note C27 for information on hedging. For information on financial instrument categories and fair values see Note C26 and for financial risk exposure and management see Note C27. For lease information, see Note C28.

As part of its commitment to sustainability, Telia Company has developed a Green Bond Framework under which Telia Company may issue Green Bonds. The framework specifies what kind of projects are eligible for the use of proceeds, how projects are selected, the management of proceeds and reporting. A second-party opinion on Telia Company's framework has been provided by Sustainalytics, a provider of environmental, social and governance (ESG) research and analysis. Per December 31, 2023 Telia Company had issued green EMTN bonds with a carrying value of SEK 723 million (698) and green Hybrid bonds with a carrying value of SEK 11,772 million (11,461). The green bonds are used for financing more energy efficient networks and green digital solutions for customers.

Telia Company considers Net debt to be an important measure to be able to understand the group's indebtedness and targets a leverage corresponding to Net debt/adjusted EBITDA in the range of 2.0-2.5x. See section Alternative performance measures.

C22. Provisions for pensions and employment contracts

Post-employment benefits
Telia Company provides defined benefit pension plans to its employees in Sweden, Finland and Norway. The pension plans mainly include retirement pension, disability pension and family pension.

Employees in Telia Company AB and most of its Swedish subsidiaries are eligible for retirement benefits under the ITP-Tele (ITP 2 plan) defined benefit plan. However, all employees born in 1979 and later are covered by a defined contribution pension plan (the ITP 1 plan). The part of the Swedish ITP 2 multiemployer pension plan that is secured by paying pension premiums to Alecta is accounted for as a defined contribution plan as the plan administrator does not provide sufficient information necessary to account for the plan as a defined benefit plan. Telia Company's portion of total premiums in the Alecta ITP 2 plan is 0.05% (0.05) and the share of total number of active insured in ITP 2 is 0.63% (0.63). Expected contribution to the ITP 2 plan for 2024 is SEK 15 million. At the end of 2023, Alecta's surplus, in the collective funding ratio, is preliminary estimated to 157% (172).

Telia Company's employees in Finland are entitled to statutory pension benefits pursuant to the Finnish Employees Pensions Act, a defined benefit pension arrangement with retirement, disability, unemployment and death benefits (TyEL pension). In addition, certain employees have additional pension coverage through a supplemental pension plan. In Finland, a part of the pension is funded in advance and the remaining part financed as a pay-as-you-go pension i.e. contributions are set at a level that is expected to be sufficient to pay the required benefits falling due in the same period.

Telia Norway operates a defined benefit pension plan, which was closed for new entrants in 2011. The pension obligations are secured mostly by pension funds, but also by provisions in the statements of financial position combined with pension credit insurance.

Telia Company's defined benefit plans are approximately divided between the following groups; 18% active members, 33% deferred members and 49% retirees.

Telia Company's employees in many other countries are usually covered by defined contribution pension plans. Contributions to the latter are normally set at a certain percentage of the employee's salary and are expensed as incurred.

Pension obligations and pension expenses
Total amounts recognized in the statements of financial position for pension obligations were as follows.

	Dec 31, 2023				Dec 31, 2022			
SEK in millions	**Sweden**	**Finland**	**Norway**	**Total**	**Sweden**	**Finland**	**Norway**	**Total**
Present value of funded pension obligations	21,291	6,177	246	27,714	18,376	5,457	680	24,513
Fair value of plan assets	-22,592	-6,937	-254	-29,784	-21,926	-6,697	-578	-29,202
Surplus (-)/deficit (+) of funded plans	**-1,300**	**-761**	**-8**	**-2,069**	**-3,551**	**-1,240**	**102**	**-4,689**
Present value of unfunded pension obligations	414	-	-	414	1,314	-	-	1,314
Net assets (-)/provisions (+) for pension obligations	**-886**	**-761**	**-8**	**-1 655**	**-2,236**	**-1,240**	**102**	**-3,375**
of which recognized as provisions	*1,364*	*-*	*-*	*1,364*	*1,173*	*3*	*102*	*1,279*
of which recognized as assets	*-2,251*	*-761*	*-8*	*-3,020*	*-3,409*	*-1,243*	*-*	*-4,653*

Total pension expenses were distributed as follows.

	Jan–Dec 2023				Jan–Dec 2022			
SEK in millions	Sweden	Finland	Norway	Total	Sweden	Finland	Norway	Total
Current service cost	-70	135	21	86	63	238	16	318
Gain/loss on settlements	-	-	-75	-75	-	-	-	-
Total pension expenses in operating income from defined benefit obligations	**-70**	**135**	**-53**	**11**	**63**	**238**	**16**	**318**
Interest expense	727	206	18	951	411	92	13	516
Interest income	-833	-256	-16	-1,105	-416	-79	-11	-507
Total net interest in financial items	**-106**	**-50**	**2**	**-154**	**-5**	**12**	**1**	**10**
Total pension expenses from defined benefit obligations	**-177**	**85**	**-51**	**-143**	**59**	**250**	**18**	**327**
Pension expenses in operating income from defined contribution plans				**1,279**				**1,223**
Remeasurement gains (-)/losses (+)								
Gain/loss from change in financial assumptions	2,288	555	-32	2,810	-6,284	-2,861	59	-9,086
Experience gains/losses	-23	29	-26	-20	2,720	246	4	2,969
Gain/loss from change in demographic assumptions	193	-	-	193	-923	-	-	-923
Return on plan assets (excluding interest income)	-732	-42	45	-730	2,066	208	8	2,282
Total gains/losses recorded in OCI, defined benefit pension plans	**1,725**	**541**	**-12**	**2,253**	**-2,422**	**-2,407**	**71**	**-4,759**

Specifications to defined benefit obligations and fair value of plan assets

Movements in the present value of defined benefit obligations were as follows.

	2023				2022			
SEK in millions	Sweden	Finland	Norway	Total	Sweden	Finland	Norway	Total
Opening balance, present value of pension obligations	**19,690**	**5,457**	**680**	**25,827**	**24,712**	**7,427**	**582**	**32,721**
Current service cost	-70	135	21	86	63	238	16	318
Interest expenses	727	206	18	951	411	92	13	516
Benefits paid	-1,099	-186	-14	-1,300	-1,009	-156	-10	-1,175
Settlements	-	-	-353	-353	-	-	-	-
Other	-	8	-	8	-	-20	-	-20
Remeasurement gains (-)/losses (+)								
Gain/loss from change in financial assumptions	2,288	555	-32	2,810	-6,284	-2,861	59	-9,086
Experience gains/losses	-23	29	-26	-20	2,720	246	4	2,969
Gain/loss from change in demographic assumptions	193	-	-	193	-923	-	-	-923
Exchange rate differences	-	-25	-49	-74	-	491	16	507
Closing balance, present value of pension obligations	**21,706**	**6,177**	**246**	**28,128**	**19,690**	**5,457**	**680**	**25,827**

Movements in the fair value of plan assets were as follows.

	2023				2022			
SEK in millions	**Sweden**	**Finland**	**Norway**	**Total**	**Sweden**	**Finland**	**Norway**	**Total**
Opening balance, fair value of plan assets	**21,926**	**6,697**	**578**	**29,202**	**24,476**	**6,381**	**530**	**31,387**
Interest income	833	256	16	1,105	416	79	11	507
Contribution to pension funds	-	121	40	162	-	117	41	159
Payment from pension funds	-900	-	-	-900	-900	-	-	-900
Benefits paid	-	-186	-14	-201	-	-156	-10	-166
Settlements	-	-	-278	-278				
Other	-	8	-	8	-	-20	-	-20
Remeasurement gains (-)/losses (+)								
Return on plan assets (excluding interest income)	732	42	-45	730	-2,066	-208	-8	-2,282
Exchange rate differences	-	-1	-42	-42	-	503	15	518
Closing balance, fair value of plan assets	**22,592**	**6,937**	**254**	**29,785**	**21,926**	**6,697**	**578**	**29,202**

Principal actuarial assumptions
The actuarial calculation of pension obligations and pension expenses is based on the following principal assumptions. These assumptions are the most significant ones in terms of the risk for changes in Telia Company's pension obligations. The discount rate reflects the interest rate level at which the pension liabilities could be effectively settled and affects the value of the defined benefit obligations.

As in previous years the discount rate for Sweden is determined by the covered bond market. Since the commitment has a longer duration than most covered bonds, an extrapolation of the yield curve is performed and used with the corresponding duration of Telia Company's pension obligations. The discount rate for Finland is based on high-quality corporate bonds with long duration. Norway sets the discount rate on the same basis as Sweden.

Inflation and increased longevity have an impact on future pension payments and therefore the pension obligation. For Sweden management set the long-term annual inflation rate based on a combination of the target set by the national central bank, implied market inflation and forecasts. For Finland, the inflation assumption is derived from long-term inflation swaps. For Norway, the inflation is mainly based on estimations from the Norwegian Accounting Standards Board. See below for a sensitivity analysis related to a change in the significant assumptions used in calculating the pension provision.

	Dec 31, 2023				Dec 31, 2022			
Percentages, except longevity	**Sweden**	**Finland**	**Norway**	**Weighted average**	**Sweden**	**Finland**	**Norway**	**Weighted average**
Discount rate	3.4	3.1	3.4	3.3	3.8	3.7	2.9	3.8
Inflation	2.0	2.3	2.3	2.1	2.3	2.3	2.0	2.3
Longevity								
life expectancy 65-year-old male (year)	*21*	*19*	*22*	*21*	*21*	*19*	*22*	*21*
life expectancy 65-year-old female (year)	*23*	*25*	*25*	*24*	*23*	*25*	*25*	*24*

Sensitivity of the defined benefit obligations to changes in the assumptions was as follows.

	Dec 31, 2023				Dec 31, 2022			
	Impact on defined benefit obligation				Impact on defined benefit obligation			
SEK in millions	Sweden	Finland	Norway	Total	Sweden	Finland	Norway	Total
Discount rate +0.5 p.p.	-1,659	-453	-18	-2,130	-1,565	-401	-59	-2,026
Discount rate -0.5 p.p.	1,804	494	19	2,317	1,708	451	65	2,224
Inflation/Indexation +0.5 p.p.[1]	1,646	424	18	2,088	1,788	386	63	2,237
Inflation/Indexation -0.5 p.p.[1]	-1,497	-314	-16	-1,827	-1,617	-285	-57	-1,959
Longevity +1 year	866	167	9	1,042	959	152	16	1,128

1) Inflation change include pension increase and salary growth.

The sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

Investment strategy

The assets of Telia Company's pension funds constitute pension plan assets and are valued at fair value. These assets are used as prime funding source for the pension obligations and exist primarily in Sweden and Finland. The pension funds invest the assets in such a manner that the liquidity of the funds is ensured. The investment horizons are long-term and aimed to cover Telia Company's pension obligations. The weighted average duration for the pension obligation plans is approximately 16 years. Investment plans are approved by the boards of the pension funds. The investment activities comply with the rules and regulations issued by the authorities governing pension foundations.

For the Swedish pension fund, which represents approximately 76% of the total group plan assets, Telia Company applies a minimum funding requirement. Asset management has been successful, and the portfolio has generated an annual return of 6% since inception. As of December 31, 2023, the strategic asset allocation decided by the Board of the Swedish Fund, was 49% fixed income, 34% equities and 17% alternative investments. The alternative investments include real estate and hedge funds. The actual allocation may deviate from the strategic allocation in a range within specified limits. To achieve long-term financial targets, it is always important to find an appropriate balance between risk and return.

Financial performance has been strong during 2023. Diversification of the assets, and disciplined use of risk are methods used to limit potential negative impact.

Total plan-asset allocation

As of the end of the reporting period, plan assets were allocated as follows.

	December 31, 2023				December 31, 2022			
SEK in millions Asset category	Quoted	Unquoted	Total	%	Quoted	Unquoted	Total	%
Equity instruments	9,738		9,738	33	9,351	861	10,212	35
Debt instruments	11,830	560	12,390	42	12,327	472	12,799	44
Real estate	484	1,825	2,308	8	506	1,822	2,328	8
Cash and cash equivalents	312	-	-	1	-	-	-	-
Alternative investments	1,135	3,900	5,035	17	607	3,257	3,863	13
Total	**23,498**	**6,285**	**29,784**	**100**	**22,790**	**6,412**	**29,202**	**100**
of which shares in Telia Company	*7*	-	*7*	*0.02*	*10*	-	*10*	*0.03*

Future contributions

For companies in Sweden, pension liabilities are secured also by pension credit insurance. This means that, should the net provision for pension obligation increase, each company can choose if and when to contribute to the pension fund or otherwise to recognize a provision. To pension funds outside Sweden, Telia Company expects to contribute SEK 140 million in 2024.

C23. Other provisions

Changes in other provisions were as follows.

	December 31, 2023			
SEK in millions	**Restructuring provisions**	**Asset retirement obligations**	**Other provisions**	**Total**
Opening balance	171	2,595	1,550	**4,316**
Provisions for the period	663	760	450	**1,873**
Utilized provisions	-493	-367	-53	**-913**
Reversals of provisions	-3	-2	-8	**-13**
Reclassifications	-2	29	-29	**-2**
Timing and interest-rate effects	-	79	-	**79**
Exchange rate differences	-2	-21	-39	**-62**
Reclassification to liabilities directly associated with assets classified as held for sale	-5	-183	0	**-188**
Closing balance	**329**	**2,890**	**1,871**	**5,090**
of which non-current portion	*98*	*2,555*	*1,693*	***4,346***
of which current portion	*231*	*335*	*178*	***744***

Restructuring provisions
The restructuring provisions represent the present value of management's best estimate of the amounts required to settle the liabilities. The estimates may vary as a result of changes in the length of notice period before leaving and in the actual outcome of negotiations with, sub-contractors and other external counterparts as well as the timing of such changes. The restructuring provisions are mainly related to workforce reduction as a result of ongoing optimization of the business.

Asset retirement obligations
Asset retirement obligations mainly refer to handling hazardous waste such as worn-out telephone poles impregnated with creosote or arsenic and to dismantling and restoration of mobile and fixed network sites. Remaining provisions as of December 31, 2023, are expected to be fully utilized in the period 2024–2100, depending on factors such as any contractual renewal options for site leases and dismantling plans decided by management.

Other provisions
Other provisions include provisions for damages and court cases, future onerous and other loss-making contracts, insurance provisions, payroll taxes on future pension payments, estimated expenses related to fulfilling representations made and warranties, i.e. transaction warranties, and for potential litigation etc. in connection with disposals and winding-up of group entities, associated companies and other equity holdings as well as provision for buy-back commitments for sold equipment in certain markets. Full utilization of these provisions is expected in the period 2024–2054. The provisions represent the present value of management's best estimate of the amounts required to settle the liabilities. For more information on the increase in 2023, see Note C30.

C24. Other non-current liabilities

The carrying value of other non-current liabilities were distributed as follows.

SEK in millions	**Dec 31, 2023**	**Dec 31, 2022**
License fee liabilities	1,469	1,561
of which Swedish	*789*	-
of which Finnish	*12*	*15*
of which Norwegian	*463*	*635*
of which Danish	-	*692*
of which Lithuanian	*206*	*219*
Interest rate swaps	5	7
Other non-current financial liabilities	196	258
Total financial liabilities (C26)	**1,670**	**1,825**
Prepaid operating lease agreements	220	263
Other liabilities	207	200
Total other non-current liabilities	**2,098**	**2,289**

For information on financial instrument categories and fair values see Note C26 and for liquidity risk exposure and management see Note C27. For lease information, see Note C28.

C25. Trade payables and other current liabilities

The carrying value of trade payables and other current liabilities were distributed as follows.

SEK in millions	Dec 31, 2023	Dec 31, 2022
Interest rate swaps	6	48
Currency derivatives (swaps and forwards)	209	19
Accounts payable	17,681	20,286
of which accounts payable under vendor financing arrangements	*11,527*	*11,413*
Other current financial liabilities	5,703	3,779
Total financial liabilities (C26)	**23,600**	**24,132**
Other current liabilities	7,319	6,947
Contract liabilities (deferred income)	3,344	3,327
Total trade payables and other current liabilities	**34,263**	**34,406**

The main components of other current financial liabilities are accrued payables to suppliers and accrued interconnect and roaming charges, while other current liabilities mainly entail value-added tax liabilities, advances from customers and accruals of payroll expenses and social security contributions. Contract liabilities (deferred income) mainly relate to subscription and other telecom charges.

Vendor financing arrangements
Telia Company has arrangements with several banks under which the banks offer Telia Company's vendors the option to receive earlier payment of Telia Company's accounts payable. Vendors utilizing these financing arrangements pay a credit fee to the bank. From the second quarter 2023 the vendor financing portfolio also includes arrangements where the supplier issues a trade finance instrument, subsequently assigned to a bank specified by the supplier, and offers Telia Company to extend the payment terms in exchange for a price increase consideration paid by Telia Company. All arrangements in the vendor financing portfolio provide earlier payment for the vendors and extended payment terms for Telia Company. Due dates for the payables within the vendor financing arrangements are 50-360 days after invoice date, with the majority of the outstanding balance closer to 360 days. Other accounts payable outside the vendor financing arrangements have payment due dates 30-90 days after invoice date. Telia Company uses all of the arrangements in the vendor financing portfolio as integrated parts of the commercial relationships with the vendors and the liabilities are part of the working capital in Telia Company's normal operating cycle. Telia Company does not provide any additional collateral or guarantees to the banks. Based on Telia Company's assessment the liabilities under the vendor financing arrangements are closely related to operating purchase activities and the financing arrangement does not lead to any significant change in the nature or function of the liabilities. The liabilities in the vendor financing portfolio are therefore classified as accounts payable. The credit period does not exceed 12 months and the accounts payable are therefore not discounted. The total vendor financing balance is divided between five banks, where the bank with the largest balance represents 30%.

Suppliers' science-based climate targets
Most of Telia Company's total value chain Greenhouse Gas (GHG) (CO2) emissions are generated in its supply chain (including purchases of network construction and maintenance, network equipment, mobile phones and other hardware and other goods and services). In the procurement process, Telia Company assesses suppliers' climate management maturity so that it can reward the best performers and influence the others. During 2023, Telia Company continued to engage with its suppliers, urging them to set science-based climate targets. By year-end 2023 suppliers responsible for 52% (35%) of Telia Company's total supply chain emissions were covered by such targets. Telia Company's goal is that suppliers responsible for 72% of its total supply chain emissions have set science-based targets by 2025. See Sustainability report section Climate and circularity.

For information on financial instrument categories and fair values see Note C26 and for liquidity risk exposure and management see Note C27.

C26. Financial assets and liabilities by category and level

Carrying value by category and fair value
The following tables present carrying values by category and fair values for financial assets and financial liabilities.

		Carrying value by category - Financial assets											
		Hedging instruments at fair value		Fair value through income statement		Fair value through OCI		Amortized cost		Total		Fair value	
SEK in millions	Note	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022
Financial assets measured at fair value													
Non-current													
Equity instruments	C16	-	-	-	18	917	601	-	-	**917**	**619**	917	619
Bonds	C16	-	-	5,018	3,496	402	205	-	-	**5,420**	**3,701**	5,420	3,701
Interest rate swaps													
- used in cash flow hedges	C16	0	33	-	-	-		-	-	**0**	**33**	0	33
- used in fair value hedges	C16	85	-	-	-	-		-	-	**85**	**-**	85	-
- not designated as hedging instruments	C16	-	-	0	3	-		-	-	**0**	**3**	0	3
Cross-currency interest rate swaps													
- used in cash flow hedges	C16	1,388	1,924	-	-	-		-	-	**1,388**	**1,924**	1,388	1,924
- not designated as hedging instruments	C16	-	-	177	69	-		-	-	**177**	**69**	177	69
Current													
Short-term investments	C19	-	-	6,938	1,678	567	631	-	-	**7,505**	**2,309**	7,505	2,309
Currency derivatives (swaps and forwards)													
- not designated as hedging instruments	C18	-	-	439	52	-	-	-	-	**439**	**52**	439	52
Interest rate swaps													
- used in fair value hedges	C19	-	28	-	-	-	-	-	-	**-**	**28**	-	28
Cross-currency interest rate swaps													
- used in cash flow hedges	C19	628	220	-	-	-	-	-	-	**628**	**220**	628	220
- not designated as hedging instruments	C19	-	-	473	12	-	-	-	-	**473**	**12**	473	12
Total financial assets measured at fair value		**2,101**	**2,205**	**13,045**	**5,328**	**1,886**	**1,437**	**-**	**-**	**17,032**	**8,971**		

		Carrying value by category - Financial assets											
		Hedging instruments at fair value		Fair value through income statement		Fair value through OCI		Amortized cost		Total		Fair value	
SEK in millions	Note	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022
Financial assets not measured at fair value													
Non-current													
Loans and receivables	C16	-	-	-	-	-	-	1,757	1,740	**1,757**	**1,740**	1,757	1,740
Finance lease receivables	C16	-	-	-	-	-	-	325	353	**325**	**353**		
Current													
Accounts receivable	C18	-	-	-	-	-	-	8,941	9,230	**8,941**	**9,230**	8,941	9,230
Loans and receivables	C18	-	-	-	-	-	-	2,242	2,380	**2,242**	**2,380**	2,242	2,380
Interest-bearing loans and receivables	C19	-	-	-	-	-	-	5,371	6,783	**5,371**	**6,783**	5,371	6,783
Finance lease recivables	C19	-	-	-	-	-	-	323	324	**323**	**324**		
Cash and bank	C19	-	-	-	-	-	-	11,244	6,871	**11,244**	**6,871**	11,244	6,871
Total financial assets not measured at fair value		**-**	**-**	**-**	**-**	**-**	**-**	**30,203**	**27,681**	**30,203**	**27,681**		
Total financial assets		**2,101**	**2,205**	**13,045**	**5,328**	**1,886**	**1,437**	**30,203**	**27,681**	**47,235**	**36,651**		

		Carrying value by category - Financial liabilities									
		Hedging instruments at fair value		Fair value through income statement		Amortized cost		Total		Fair value	
SEK in millions	Note	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022
Financial liabilities measured at fair value											
Non-current											
Interest rate swaps											
- used in cash flow hedges	C21	309	28	-	-	-	-	**309**	**28**	309	28
- used in fair value hedges	C21	5,292	7,050	-	-	-	-	**5,292**	**7,050**	5,292	7,050
Cross-currency interest rate swaps											
- used in cash flow hedges	C21	153	60	-	-	-	-	**153**	**60**	153	60
- not designated as hedging instruments	C21	-	-	-	110	-	-	**-**	**110**	-	110
Interest rate swaps											
- not designated as hedging instruments	C24	-	-	5	7	-	-	**5**	**7**	5	7
Current											
Interest rate swaps											
- used in cash flow hedges	C21	298	-	-	-	-	-	**298**	**-**	298	-
- used in fair value hedges	C21	134	50	-	-	-	-	**134**	**50**	134	50
Cross-currency interest rate swaps											
- used in cash flow hedges	C21	-	179	-	-	-	-	**-**	**179**	-	179
Interest rate swaps											
- not designated as hedging instruments	C25	-	-	6	48	-	-	**6**	**48**	6	48
Currency derivatives (swaps and forwards)											
- not designated as hedging instruments	C25	-	-	209	19	-	-	**209**	**19**	209	19

		Carrying value by category - Financial liabilities									
		Hedging instruments at fair value		Fair value through income statement		Amortized cost		Total		Fair value	
SEK in millions	Note	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022
Total financial liabilities measured at fair value		**6,186**	**7,367**	**220**	**184**	**-**	**-**	**6,407**	**7,550**		
Financial liabilities not measured at fair value											
Non-current											
Euro Medium Term Notes Program (EMTN)	C21	-	-	-	-	57,014	52,658	**57,014**	**52,658**	62,115	56,689
Hybrid bonds	C21	-	-	-	-	18,425	18,076	**18,425**	**18,076**	19,446	19,030
Other bilateral	C21	-	-	-	-	1,918	1,880	**1,918**	**1,880**	2,159	2,054
Bank loans	C21	-	-	-	-	805	413	**805**	**413**	805	413
Lease liabilities	C21	-	-	-	-	14,511	13,971	**14,511**	**13,971**		
Other non-current borrowings	C21	-	-	-	-	71	309	**71**	**309**	71	309
License fee liabilities	C24	-	-	-	-	1,469	1,561	**1,469**	**1,561**	1,469	1,561
Other non-current financial liabilities	C24	-	-	-	-	196	258	**196**	**258**	196	258
Current											
Euro Medium Term Notes Program (EMTN)	C21	-	-	-	-	9,900	1,533	**9,900**	**1,533**	10,055	1,547
Hybrid bonds	C21	-	-	-	-	-	1,127	**-**	**1,127**	-	1,135
Bank loans	C21	-	-	-	-	579	857	**579**	**857**	579	857
Lease liabilities	C21	-	-	-	-	3,156	3,261	**3,156**	**3,261**		
Other current borrowings	C21	-	-	-	-	2	-	**2**	**-**	2	-
Accounts payable	C25	-	-	-	-	17,681	20,286	**17,681**	**20,286**	17,681	20,286
Other current financial liabilities	C25	-	-	-	-	5,703	3,779	**5,703**	**3,779**	5,703	3,779
Total financial liabilities not measured at fair value		**-**	**-**	**-**	**-**	**131,429**	**119,969**	**131,429**	**119,968**		
Total financial liabilities		**6,186**	**7,367**	**220**	**184**	**131,429**	**119,969**	**137,836**	**127,519**		

Fair value hierarchy levels
The carrying values of financial assets and liabilities measured at fair value were distributed by fair value hierarchy level as follows.

		December 31, 2023				December 31, 2022			
			of which				of which		
SEK in millions	Note	Carrying value	Level 1	Level 2	Level 3	Carrying value	Level 1	Level 2	Level 3
Financial assets at fair value									
Equity instruments	C16	917	-	-	917	619	4	-	614
Non-current and current bonds	C16, C19	12,925	12,925	-	-	6,010	6,010	-	-
Derivatives	C16, C18, C19	3,191	-	3,191	-	2,342	-	2,342	-
Total financial assets at fair value by level		**17,032**	**12,925**	**3,191**	**917**	**8,971**	**6,015**	**2,342**	**614**
Financial liabilities at fair value									
Derivatives	C21, C24, C25	6,407	-	6,407	-	7,550	-	7,550	-
Total financial liabilities at fair value by level		**6,407**	**-**	**6,407**	**-**	**7,550**	**-**	**7,550**	**-**

There were no material transfers between Level 1, 2 or 3 in 2023 or 2022.

Fair value measurement of Level 3 Financial instruments
Investments classified within Level 3 make use of significant unobservable inputs in deriving fair value, as they trade infrequently. As observable prices are not available for these equity instruments, Telia Comapny has a market approach to derive the fair value.

Telia Company's primary valuation technique used for estimating the fair value of unlisted equity instruments in Level 3 is based on the most recent transaction for the specific company if such transaction has been recently made. If there have been significant changes in circumstances between the transaction date and the balance sheet date, that in the assessment of Telia Company, would have a material impact on the fair value, the carrying value is adjusted to reflect the changes.

The table below presents the movement in Level 3 instruments during the year.

	Assets Jan-Dec, 2023	Assets Jan-Dec, 2022
SEK in millions	**Equity instruments**	**Equity instruments**
Level 3, opening balance	**614**	**594**
Changes in fair value	302	-46
of which recognized in income statement	*-4*	-
of which recognized in other comprehensive income	*307*	*-46*
Purchases/share issue	15	77
Reclassifications	-	-10
Disposals	-2	-
Settlements	-13	-3
Exchange rate differences	-	3
Level 3, closing balance	**917**	**614**

The fair value change in 2023 recognized in other comprehensive income of SEK 307 million relates to revaluation of Telia Company's 9.56% holding in Marshall Group AB. The investment was revalued to an estimated fair value of SEK 427 million in the fourth quarter 2023 based on the share price of SEK 415 in the most recent larger transaction made for Marshall Group AB finalized in October 2023.

C27. Financial risk management

Principles of financing and financial risk management
Telia Company's financing and financial risks are managed under the control and supervision of the Board of Directors of Telia Company. Financial management is centralized within the Group Treasury unit of Telia Company, which operates as Telia Company's internal bank and is responsible for the management of financing, management of capital and cash. Group Treasury is also responsible for Telia Company's financial risk management, financial infrastructure, implementation of group policies and instructions, identification and monitoring of financial risks as well as implementation of hedging strategies thereof. The most noticeable risks under Group Treasury's responsibility are credit risk, liquidity risk, currency risk, interest rate risk and (re-)financing risk. Group Treasury also seeks to manage the cost of financial risk management.

Telia Company finances its operations mainly by borrowing under its open-market financing programs directly in Swedish and international money markets and debt capital markets. The communicated funding strategy is focused on the refinancing risk, other themes have been to have a smooth maturity profile, maintain duration, to diversify funding sources and to keep a prudent liquidity position. Capital markets is the primary source of funding while bank funding is mainly considered as backup support. This increases flexibility and ensures access to markets with attractive pricing. The open-market financing programs typically provide a cost-effective and flexible alternative to bank financing.

Financing in 2023
In February 2023, Telia Company issued a 9-year bond of EUR 500 million (SEK 5.6 billion) to a yield of 3.799 percent and with a coupon of 3.625 percent, maturing in February 2032.

In March 2023, Telia Company issued bonds with a total amount of SEK 4 billion. Those bonds were separated in two maturities with a fixed and floating tranche on each, SEK 2 billion maturing in March 2026, and SEK 2 billion maturing in September 2028. The coupon of the 3-year bond was set at 4.375 percent per annum for the fixed tranche, corresponding to a yield of 4.39 percent, and Mid-swaps +73 basis points for the floating tranche. The coupon of the 5.5-year bond was set at 4.375 percent per annum for the fixed tranche corresponding to a yield of 4.42 percent, and Mid-swaps +110 basis points for the floating tranche.

In November 2023 Telia Company issued bonds in total of NOK 4 billion (SEK 3.9 billion). The bonds were separated in two maturities, NOK 2 billion maturing in March 2029 with both a fixed and a floating rate tranche, and NOK 2 billion maturing in March 2034 with a fixed rate tranche. The coupon of the 5.25-year bond was set at 4.675 percent per annum for the fixed tranche, corresponding to a yield of 4.67 percent, and 3M Nibor +105 basis points for the floating tranche. The coupon of the 10,25-year bond was set at 4.790 percent per annum with the same yield. All the bonds issued in 2023 were issued under Telia's existing EUR 12 billion EMTN (Euro Medium Term Note) program. The proceeds from the issues will partly be used to refinance senior debt.

In April 2023, Telia Company issued commercial papers with a total nominal amount of SEK 1.0 billion under the existing short-term commercial paper program. The commercial papers were repaid in full in December 2023. During the year outstanding bonds with a nominal amount of SEK 3.4 billion, of which hybrid bonds EUR 100 million (SEK 1.2 billion), were repaid.

The banking sector turbulence, present in the first quarter of 2023 that led to strains on the financial markets, has stabilized. Telia Company has good access to capital via European Debt Capital markets and via commercial paper market if any funding need would be identified.

The sustainability linked Revolving Credit Facility of EUR 1,200 million (SEK 13.3 billion) signed in the third quarter of 2022 with a group of twelve relationship banks was extended for another year during the third quarter of 2023, utilizing one of the two extension options of one year each, subject to approval of the lenders. This means that the credit facility still has a tenor of 5 years and is fully eligible under the rating agencies' liquidity models. The loan facility has a clear connection to Telia's sustainability strategy, since the loan margin is linked to Telia's sustainability performance on climate, diversity and digital skills.

Capital management
Telia Company's capital structure and dividend policy is decided by the Board of Directors with a floor of SEK 2.00 per share and an ambition for low to mid-single digit percentage growth.

For 2023, the Board of Directors proposes to the AGM an ordinary dividend of SEK 2.00 per share (2.00), totaling SEK 7.9 billion (7.9). The dividend should be split and distributed into four tranches of SEK 0.50 per share. Telia Company targets a leverage corresponding to Net debt/adjusted EBITDA in the range of 2.0-2.5x and a solid investment grade of A- to BBB+. The credit rating of Telia Company remained unchanged during 2023. Moody's rating for non-current borrowings is Baa1 with a stable outlook. The Standard & Poor long-term rating is BBB+ and the short-term rating is A-2, both with a stable outlook. These ratings represent a solid investment grade level and are of great importance allowing Telia Company continued good access to financial markets. Telia Company is not subject to any externally imposed capital requirements.
In respect of capital management, Telia Company defines capital as equity and 50% of hybrid bonds, which is consistent with the market practice for this type of instrument. As per December 31, 2023, Telia Company's capital amounted to SEK 66,412 million (77,635), whereof equity SEK 56,994 million (67,673) and 50% of hybrid bonds SEK 9,418 million (9,962).

Credit risk management

Credit risk is the risk of delay or loss of value or income as well as incurred costs due to counterparty default or failure to meet its financial obligations. The carrying amount of Telia Company's instruments with credit risk exposure is as follows.

Credit risk exposure

SEK in millions	Note	Dec 31, 2023	Dec 31, 2022
Other non-current assets (excluding Equity instruments, Costs to obtain a contract, Other contract assets and Deferred expenses)	C16	9,154	7,824
Trade and other receivables and assets (excluding Other current receivables, Current contract assets and Deferred expenses)	C18	11,622	11,662
Current interest-bearing receivables	C19	13,896	9,676
Cash and cash equivalents	C19	11,646	6,871
Total carrying amount, instruments with credit exposure		**46,318**	**36,033**

When entering into financial transactions such as interest rate swaps, cross-currency swaps and other derivative transactions, Telia Company accepts only creditworthy counterparties with a solid investment grade rating. Telia Company requires each counterparty to have an International Swaps and Derivatives, Inc. (ISDA) agreement. The permitted exposure of each counterparty when entering into a financial transaction depends on the rating of that counterparty.

Telia Company may invest surplus cash in bank deposits and securities issued by banks with a rating of at least A- (Standard & Poor's) or A3 (Moody's). In addition, investments can be made in corporate securities with rating of at least BBB+ or Baa1. Cash can also be invested in government bonds and treasury bills issued by the Swedish, German, Finnish, Norwegian or Danish government, Swedish municipals, investment funds and securitized assets with AAA/Aaa rating. Expected credit losses on cash and cash equivalents measured at amortized cost are considered insignificant due to the high credit quality of the counterparties reflected in the external ratings and the short maturities. Investments in securities are measured at fair value through income statement. The credit risk of the investments is reflected in their fair values.

Telia Company's credit risk exposure related to cash and cash equivalents as well as investments in securities are distributed as in the tables below. The net aggregated exposure in derivatives as of December 31 is distributed by the counterparty long-term rating as in the table below. Received collateral, regulated by the Credit Support Annex of the ISDA agreements, is deducted from the exposure.

Credit Rating S&P / Moody's

	December 31, 2023			
SEK in millions	Cash and bank	Cash equivalents	Bonds and short-term investments	Counterparty exposures derivatives
AAA / Aaa	-	403	9,916	-
AA+ to AA- / Aa1 to Aa3	5,682	-	714	513
A+ to A- / A1 to A3	5,562	-	1,892	165
Total	**11,244**	**403**	**12,522**	**678**

Credit Rating S&P / Moody's

	December 31, 2022			
SEK in millions	Cash and bank	Cash equivalents	Bonds and short-term investments	Counterparty exposures derivatives
AAA / Aaa	-	-	5,616	-
AA+ to AA- / Aa1 to Aa3	3,496	-	354	69
A+ to A- / A1 to A3	3,374	-	40	55
Total	**6,871**	-	**6,010**	**124**

Telia Company's trade receivables and loans and receivables are diversified geographically and among a large number of customers, private individuals as well as companies in various industries. Solvency information is required for credit sales to minimize the risk of credit losses and is based on group-internal information on payment behavior, if necessary supplemented by credit and business information from external sources. Incurred expenses for credit losses in relation to consolidated revenue was approximately 0.5% in 2023 and 0.5% in 2022. For quantitative information about the loss allowance for expected credit losses for trade receivables and current loans and receivables , see Note C18. Telia Company is also exposed to credit risk in finance lease receivables when acting as lessor, see Note C28.

In some markets, Telia Company has arrangements in place with a third party under which rights to cash flows from trade receivables and substantially all related financial risks are transferred to the third party. These trade receivables are derecognized in full when the contractual rights to the cash flows are passed to the third party. The expense related to derecognition amounted to SEK 54 million (65).

Liquidity risk management
Liquidity risk is the risk that Telia Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Telia Company has internal control processes and contingency plans for managing liquidity risk. The short- and mid-term liquidity management takes into account the maturities of financial assets and financial liabilities and estimates of cash flows from operations.

A centralized daily cash pooling process enables Telia Company to manage liquidity surpluses and deficits according to the actual needs on group and subsidiary level.

Telia Company's policy is to have a prudent liquidity position in terms of available cash and/or unutilized committed credit facilities. Telia Company's short-term liquidity risk (payment obligations due within a year, see table "Expected maturities, financial liabilities") is managed with the liquidity reserve described below. For other unrecognized contractual obligations, see Note C30.

Liquidity reserve

SEK in millions	Note	Dec 31, 2023	Dec 31, 2022
Cash and bank		11,244	6,871
Cash equivalent short-term investments		403	-
Cash and cash equivalents	C19	**11,646**	**6,871**
Short-term investments[1]	C19	6,535	1,678
Total		**18,181**	**8,549**
Bonds[1]	C16	5,018	3,496
Total statement of financial position liquidity		**23,199**	**12,045**
Committed credit facilities			
Revolving credit facilities (limit amount)		13,304	13,292
Bank overdraft and short-term credit facilities (limit amount)[2]		1,509	1,508
Total unutilized committed credit facilities		**14,813**	**14,800**
Liquidity reserve		**38,012**	**26,845**

1) Convertible to cash within 2 days, i.e. excluding securities that for regulatory reasons cannot be used to meet current liquidity risk. 2022 has been adjusted for comparability. 2) The increase in bank overdraft and short-term credit facilities relates to foreign exchange rates.

Telia Company's committed credit facilities consist of a revolving credit facility and bank overdraft facilities, which are intended for short-term financing and back-up purposes. Telia Company's committed revolving credit facility is sustainability linked, syndicated, denominated in EUR with a maturity date in September 2028 with an option to extend one year to 2029. The committed overdraft facilities are bilateral, multicurrency and are extended annually.

At year end, contractual undiscounted cash flows for the group represented the following expected maturities. The amounts regarding the group's interest-bearing borrowings and derivatives include installments and estimated interest payments. Amounts in foreign currency have been converted into SEK using the exchange rate prevailing as of the end of the reporting period. Future interest payments, related to instruments with floating interest rates, have been estimated using forward rates. Where gross settlements are performed (interest rate swaps, cross-currency interest rate waps, currency swaps and forward exhcange contracts), all amounts are reported on a gross basis. In the table Hybrid bonds are presented at their reset date.

Expected maturities, financial liabilities

SEK in millions	Note	Jan-Mar 2024	Apr–Jun 2024	Jul–Sep 2024	Oct–Dec 2024	2025	2026	2027	2028	Later years	Total
Euro Medium Term Notes program	C21	-7,965	-161	-506	-3,209	-9,982	-3,441	-8,358	-3,363	-48,239	**-85,224**
Hybrid bonds	C21	-	-76	-183	-308	-567	-6,110	-7,143	-6,835	-	**-21,222**
Other bilateral	C21	-45	-	-	-	-45	-45	-599	-22	-1,753	**-2,509**
Bank loans	C21	-0	-332	-	-	-114	-1	-1	-	-1,220	**-1,668**
Lease liabilities	C21	-1,224	-731	-719	-823	-3,022	-2,666	-2,430	-2,233	-6,916	**-20,764**
Interest rate swaps	C16, C19, C21, C24, C25										
Cash outflows		-1,015	-596	-518	-499	-1,769	-1,386	-1,026	-672	-1,913	**-9,394**
Cash inflows		332	333	197	401	952	758	572	303	580	**4,428**
Cross-currency interest rate swaps	C16, C19, C21										
Cash outflows		-8,990	-1,566	-296	-2,799	-7,437	-7,034	-3,178	-17	-564	**-31,881**
Cash inflows		9,732	1,752	254	3,006	7,880	7,343	3,501	29	588	**34,085**
Currency derivatives (swaps and forwards)	C18, C25										
Cash outflows		-15,335	-6,795	-101	-	-	-	-	-	-	**-22,231**
Cash inflows		15,261	6,860	97	-	-	-	-	-	-	**22,218**
Other borrowings	C21	-	-2	-	-	-71	-	-	-	-	**-73**
License fee liabilities	C24	-	-	-	-	-958	-175	-221	-25	-317	**-1,696**
Other non-current financial liabilities	C24	-	-	-	-	-24	-107	-51	-14	-	**-196**
Accounts payable	C25	-10,063	-3,608	-3,408	-601	-	-	-	-	-	**-17,681**
Other current financial liabilities	C25	-4,208	-934	-374	-187	-	-	-	-	-	**-5,703**
Credit and performance guarantees	C30	-	-	-	-1	-	-	-	-	-	**-1**
Total		**-23,521**	**-5,856**	**-5,557**	**-5,020**	**-15,157**	**-12,864**	**-18,933**	**-12,850**	**-59,754**	**-159,512**

Currency risk management
Currency risk is the risk that fluctuations in foreign exchange rates will adversely affect the group´s results, financial position and/or cash flows. Currency risk can be divided into operational transaction exposure and translation exposure.

Transaction exposure relates to net inflows or outflows of foreign currencies required by operations and financing. Telia Company's general policy is to hedge the majority of known operational transaction exposure up to 12 months into the future. Financial flows are usually hedged until maturity, even if that is longer than 12 months.

Regarding foreign currency transaction exposure, the Telia Company Group CFO has a clearly defined deviation mandate which is capped at the equivalent of SEK 10 million calculated as one day Value at Risk (VaR), expressed as the long/short SEK counter-value amount that may be exposed to currency fluctuations. Since SEK is the functional currency of Telia Company AB, borrowings are either denominated in, or swapped into SEK unless linked to international operations or allocated as hedging of net investments in foreign currency.

The cash flow pertains to foreign exchange rate hedging of receivables, payables and cash balances in foreign currencies. Foreign exchange rate risks are also mitigated through the group's net investments in EUR, see section "Translation exposure".

Financial transaction exposure
At year end, contractual undiscounted financial cash flows split by currency, for the group's interest-bearing assets, interest-bearing liabilities and derivatives represented the following expected maturities, including installments and estimated interest payments. Assets and liabilities included in the table below are only those denominated in non-functional currencies. Amounts in foreign currency have been converted to SEK using the exchange rate prevailing as of the end of the reporting period. Future interest payments, related to instruments with floating interest rates, have been estimated using forward rates. In the table Hybrid bonds are presented at their reset date.

Financial transaction exposure

SEK in millions		Jan–Mar 2024	Apr–Jun 2024	Jul–Sep 2024	Oct–Dec 2024	2025	2026	2027	2028	Later years	Total
EUR	Interest-bearing assets	21	393	-	-	-	-	-	-	-	414
	Interest-bearing liabilities	-7,394	-101	-573	-931	-9,183	-7,009	-14,971	-7,512	-35,616	-83,290
	Derivatives	8,423	-36	-120	98	4,983	5,497	3,185	-265	-1,162	20,603
	Net	**1,050**	**256**	**-693**	**-833**	**-4,200**	**-1,512**	**-11,786**	**-7,777**	**-36,778**	**-62,273**
GBP	Interest-bearing liabilities	-	-	-	-137	-137	-137	-137	-137	-5,064	-5,749
	Derivatives	-	-	-	137	137	137	137	137	5,064	5,749
	Net	**-**	-	-	**0**	**0**	**0**	**0**	**0**	**0**	**0**
NOK	Interest-bearing assets	787	1,334	301	-	-	-	-	-	-	2,422
	Interest-bearing liabilities	-146	-83	-20	-37	-336	-298	-889	-477	-7,713	-9,999
	Derivatives	-6,208	-2,290	-187	-2,604	-2,216	-1,581	-63	-65	-152	-15,366
	Net	**-5,567**	**-1,039**	**94**	**-2,641**	**-2,552**	**-1,879**	**-952**	**-542**	**-7,866**	**-22,944**
Other	Interest-bearing assets	40	-	-	1	53	-	-	-	94	188
	Interest-bearing liabilities	-11	-	-11	-	-22	-22	-22	-22	-1,473	-1,583
	Derivatives	41	-	11	-	22	22	22	22	1,503	1,643
	Net	**70**	**-**	**0**	**1**	**53**	**0**	**0**	**0**	**124**	**248**
Total, net		**-4,447**	**-783**	**-599**	**-3,473**	**-6,699**	**-3,391**	**-12,738**	**-8,319**	**-44,520**	**-84,969**

Operational transaction exposure sensitivity

In most cases, Telia Company customers are billed in their respective local currency. The operational transaction exposure is primarily related to purchases in foreign currencies of equipment and supplies as well as program rights. The main foreign transaction currencies are EUR, NOK and USD. Other currencies may have temporary exposures, such as GBP at year end 2023. Receivables from and payables to other operations for international fixed-line traffic and roaming are normally settled net through clearing-houses, which reduces the transaction exposure related to these payments.

Transaction exposure sensitivity (financial and operational)
Currency depreciation by 10%

	Net income impact, continuing operations	
SEK in millions	**2023**	**2022**
EUR	-1.9	-0.4
NOK	-0.1	4.7
USD	-0.1	0.4
GBP	2.5	0.1
Other	0.5	-0.3
Total	**0.9**	**4.4**

The sensitivity analysis is based on the exposure as of year end and after hedges.

Translation exposure

Translation exposure relates to net investments in foreign operations. Telia Company Group CFO has a mandate to implement hedging up to a specific ratio limit. Telia Company's net investments in foreign operations were distributed by currency as follows.

Translation exposure

	Dec 31, 2023			Dec 31, 2022		
SEK in millions	**Net investments in foreign operations**	**Hedged amount**	**Net translation exposure**	**Net investments in foreign operations**	**Hedged amount**	**Net translation exposure**
EUR	35,971	-28,993	6,978	38,463	-24,569	13,894
NOK	17,194	-	17,194	23,365	-	23,365
DKK	4,325	-	4,325	1,818	-	1,818

Net investments are hedged through borrowings or derivatives and presented on a post tax basis in the table.

Translation exposure sensitivity

The positive impact on group equity, on a post tax basis, would be approximately SEK 2.8 billion (3.9) if the Swedish krona weakened by 10 percentage points against above translation exposure currencies and vice versa. The calculation is based on the exposure as of year end, including hedges.

Interest rate risk management
The interest-bearing borrowings and financial investments expose the group to interest rate risk. Interest rate risk is the risk that a change in interest rates will negatively effect the group's net interest expense and/or cash flows. Leasing is not under active interest rate risk management and is therefore not included in the section below.

Key figures for the debt portfolio

SEK in millions	Note	Dec 31, 2023	Dec 31, 2022
Debt portfolio			
Non-current borrowings excluding leases, carrying value	C21	83,986	80,584
Current borrowings excluding leases, carrying value	C21	10,913	3,746
Debt portfolio, carrying value		**94,899**	**84,330**
Average interest rates including hedges (%)		5.0	4.1
Duration (interest rate risk, years)		3.5	3.2
Average maturity (years)		6.2	6.8
Interest rate adjustment within 1 year		38,480	42,081
Interest rate adjustment after 1 year		56,419	42,249

Telia Company's financial policy provides the framework for management of interest rates and the average maturity of borrowings and investments. The group aims to balance the estimated running cost of borrowing and the risk of negative impact on finance net if market interest rates increase. The group's policy is that the duration of the debt portfolio should be between one to five years. If the debt portfolio structure deviates from the desired one, derivative instruments are used to adapt the structure in terms of duration and/or currency, including interest rate swaps and cross-currency interest rate swaps. For exposures in different currencies see "Financial transaction exposure". Rising interest rates have had a signicant effect on Telia Company's increasing funding cost during 2023. As a mitigating action against further interest rate increases from central banks Telia Company has switched towards more fixed rate debt, especially in the beginning of 2023, to reduce the negative impact of potential further interest rate increases.

Interest rate risk sensitivity
Telia Company is exposed to interest rate risks both from the debt portfolio and from the group's portfolio of bonds and other interest-bearing assets.

The exact effect on financial net of a change in interest rates on the debt portfolio depends on the timing of maturity of the debt as well as reset dates for floating rate debt. Furthermore, the volume of loans may vary over time, thereby affecting that estimate. One percentage point higher interest rate than the prevailing rate as per year end would have increased interest expenses by approximately SEK 264 million (334). The estimate is made under the assumption that the interest rates and the structure of the debt portfolio remained unchanged over the coming 12 months and also considers the effects of outstanding interest rate hedges. At the same time, the net effect on equity would be an increase of SEK 286 million (-31) due to the effects of cash flow hedges for which hedge accounting is applied.

Telia Company's portfolio of bonds and other interest-bearing assets is measured at fair value through income statement. Hence, a change in interest rates would have an impact both on interest income and on the fair value of the assets in the portfolio. A one percentage point higher interest rate than the prevailing rate as per year end would have increased interest income with SEK 48 million (50), but also lead to a decrease in the fair value of the portfolio of SEK 137 million (107). Hence, the net effect on the income statement and equity would have been a decrease of SEK 89 million (57).

Considering both the effects from the debt portfolio and the portfolio of interest-bearing assets, the total impact on Telia Company's finance net of an increase in interest rates of one percent would be a decrease of SEK 353 million (391) and a net increase of equity of SEK 197 million (-88).

Carrying value of the debt portfolio excluding derivatives would change by approximately SEK 2.0 billion (1.8), should the level in market interest rates make a parallel shift of one percentage point, and assuming the same volume of loans and similar duration on those loans as per year end. However, net effect on the debt portfolio carrying value including derivatives would be SEK 0.5 billion (0.4).

Refinancing risk management
In order to reduce refinancing risk, the group aims to distribute loan maturity dates over a longer period. The group's policy is that the average maturity of borrowings should exceed 4 years and that a maximum of 30% of the funding is allowed to mature within 2 years. As of year end the average maturity of Telia Company's borrowings was 6.2 years and 18% of the borrowings due within 2 years.

Management of insurable risks
The insurance cover is governed by corporate guidelines and includes a common package of different property and liability insurance programs. The business units and other units being responsible for assessing the risks decide the extent of actual cover. Corporate Insurance at Telia Company manages the common group insurance programs and uses a captive, Telia Försäkring AB, as a strategic tool in managing the insurance programs. Some of the risks that are placed in the captive are reinsured in the international reinsurance market.

Power purchase agreements
As part of the strategy to secure future access to renewable electricity and contribute to the production of renewable energy, Telia Company has entered into power purchase agreements (PPAs) in Estonia and Lithuania to procure renewable wind, solar, hydro and biomass electricity. Under the PPAs Telia Company pays a fixed price for a fixed quantity of physically delivered electricity of 332 GWh over periods ranging from 3 months to 10 years (starting during 2022-2025). The purchased electricity will be used for Telia Company's own

energy consumption for the network, server rooms, control center and offices. Telia Company has also entered into a ten-year power purchase agreement for renewable solar electricity starting in 2024 in Denmark (discontinued operations), which is also is physically delivered electricity at fixed price for fixed quantity and for own-use. The price paid for the purchased electricity under the PPAs is recognized as expenses in the period when the electricity is delivered and used.

Master netting arrangements and similar agreements

Telia Company has entered into ISDA (International Swaps and Derivatives Association) Master Agreements for its OTC (Over The Counter) derivative business, ie. interest rate and currency derivatives, with all of its core banks. These ISDA Master Agreements allow the parties to do close-out nettings. For derivatives in the financial operations, CSAs (credit support annex) may be entered into as an annex to the respective master agreement, and are recognized as current receivables/liabilities. Under the CSA, the parties agree to provide eachother with collateral, which is calculated based on a weekly or daily exposure under the specific agreement. Funds transferred and interest accrued under a CSA agreement is not considered collateral. Derivatives include interest and cross currency swaps, currency swaps and forward exchange contracts. Changes in CSA levels during 2023 are mostly due to decreasing interest rate levels.

Offsetting

		December 31			
SEK in millions	Note	Gross amount in statement of financial postion	Impact of master netting agreements	CSA received/ delivered	Net amount
2023					
Financial assets					
Derivatives	C16, C18, C19	3,191	-1,360	-1,415	415
Financial liabilities					
Derivatives	C21, C24, C25	6,406	-1,360	-4,905	141
2022					
Financial assets					
Derivatives	C16, C18, C19	2,342	-1,279	-1,027	36
Financial liabilities					
Derivatives	C21, C24, C25	7,550	-1,279	-4,143	2,128

Hedge accounting

Telia Company mainly applies hedge accounting when hedging interest rate and currency risk related to funding activities and when hedging certain future operational cash flows. Telia Company also applies hedge accounting for hedges of net investments in foreign operations. Telia Company's hedge strategy is to mitigate the uncertainty in future payments and to reduce income statement volatility. The uncertainty is due to changes in future interest fixings but due to changes in currency rates against SEK.

A hedge relationship will be perfectly effective if all critical terms match. That means that the critical terms of the hedged item and the hedging instrument will be identical. The terms that may be considered as critical are; nominal amount, currency, maturity date, future coupon payment dates, future coupon fixing dates, and fixing rate index.

To assess that a hedge can be assumed to be effective going forward the future cash flows, calculated based on the critical terms, can be compared between the hedged item and the hedging instrument. If the cash flows offset the hedge it can be deemed to be highly effective going forward (prospectively). For more information about hedge accounting principles see Note C3.

Fair value hedges of interest rate risk

SEK in millions	Dec 31, 2023	Dec 31, 2022
Hedging instruments		
Carrying amount of hedging instruments that are assets	85	28
Carrying amount of hedging instruments that are liabilities	5,426	7,100
Change in fair value used as basis to measure ineffectiveness for the year	1,955	-6,712
Nominal amounts	48,269	58,463
Hedged items		
Carrying amount	44,212	40,625
Accumulated fair value adjustment on hedged item	-4,417	-6,236
Change in fair value used as basis to measure ineffectiveness for the year	-2,025	6,628
Accumulated value adjustment remaining on closed hedge relations	-518	-723
Ineffectiveness recognized in income statement for the year (Finance net)	-70	-84

Hedging instruments are included within Non-current/Current receivables/borrowings in the statement of financial position, whereas the hedged items are included within Non-current/current borrowings.

Cash flow hedges of foreign exchange and interest rate risk

SEK in millions	Dec 31, 2023	Dec 31, 2022
Hedging instruments		
Carrying amount of hedging instruments that are assets	2,017	2,177
Carrying amount of hedging instruments that are liabilities	760	267
Change in fair value used as basis to measure ineffectiveness for the year	-38	206
Change in fair value reported in other comprehensive income for the year	-96	361
Nominal amounts	48,150	25,506
Hedged items		
Change in fair value used as basis to measure ineffectiveness for the year	38	-206
Balance in Hedging reserve for continuing hedges	-158	-5
Balance in Hedging reserve for closed hedges	144	73
Ineffectiveness recognized in income statement for the year (Finance net)	-	-
Amount reclassified from Hedging reserve to income statement for the year (Finance net)	62	-61

Hedging instruments are included within Non-current/Current receivables/borrowings in the statement of financial position. The nominal amounts consist of interest rate swaps of SEK 23,318 million (11,715) and cross currency interest rate swaps of SEK 24,832 million (13,791).

Hedges of net investments in foreign operations

SEK in millions	Dec 31, 2023	Dec 31, 2022
Hedging instruments		
Carrying amount of hedging instruments that are liabilities	37,204	31,478
Change in fair value used as basis to measure ineffectiveness for the year	-29	-1,954
Change in fair value reported in other comprehensive income for the year	-29	-1,954
Nominal amounts on a post tax basis	28,993	24,569
Hedged items		
Change in fair value used as basis to measure ineffectiveness for the year	29	1,954
Balance in Foreign currency translation reserve for continuing hedges	5,934	5,961
Balance in Foreign currency translation reserve for closed hedges	-	-
Ineffectiveness recognized in income statement for the year (Finance net)	-	-

Hedging instruments are included within Non-current/Current borrowings in the statement of financial position.

C28. Leases

Telia Company as lessee
The Group leases various types of assets, such as technical space (e.g. technical sites, roof-tops, co-locations, space on towers and data centers), technical equipment (e.g. copper, dark fiber, IRU, ducts, towers, base stations and servers), non-technical space (e.g. office space, stores and parking space) and land. Other leases mainly relate to cars, office equipment and IT equipment. Lease agreements are negotiated on individual basis and contain a wide range of different lease terms and conditions. The lease contracts often include renewal options for various periods of time. The lease liabilities (and the right-of-use assets) include the non-cancellable period of the lease together with both extension periods (if Telia Company is reasonable certain to exercise the extension option) and termination periods (if Telia Company is reasonable certain not to exercise the termination option). Determination of the lease term therefore requires management judgment, see Note C2. Apart from current leases, estimated lease terms including estimated extension and termination periods range between 2 and 38 years. The average useful life of the right-of-use assets in 2023 ranges between 4 and 15 years. Approximately 40% of the total lease liabilities (and right of use assets) relate to extension periods were Telia Company has made an assessment that it is reasonable certain that the extension options will be exercised. This portion of the lease liabilities (and right-of-use assets) mainly relates to technical space and technical equipment.

Amounts recognized in the consolidated statement of financial position
The carrying value of Right-of-use assets were distributed as follows.

SEK in millions	Dec 31, 2023	Dec 31, 2022
Right-of-use assets		
Technical space	7,342	7,402
Technical equipment	4,876	4,243
Non-technical space	3,321	3,716
Land	1,053	1,016
Other	232	172
Total[1]	**16,823**	**16,549**

1) During 2023 SEK 1,057 million has been reclassified to Assets held for sale.

Additions to the right-of-use assets during 2023 amounted to SEK 5,861 million (4,579), whereof SEK 1,667 million (1,718) related to new contracts, mainly for technical space and technical equipment. SEK 4,194 million (2,861) related to lease modifications mainly due to indexations and reassessed lease terms for existing contracts for technical space and technical equipment.

The carrying value of lease liabilities were distributed as follows.

SEK in millions	Dec 31, 2023	Dec 31, 2022
Lease liabilities[1]		
Non-current	14,511	13,971
Current	3,156	3,261
Total	**17,667**	**17,232**

1) Included in the line items non-current and current borrowings in the consolidated statements of financial position.

For expected maturities of the lease liabilities, see Note C27.

Amounts recognized in the consolidated statements of comprehensive income
The consolidated statement of comprehensive income includes the following amounts relating to leases.

SEK in millions, except for average useful life	Average useful life (years) 2023	Dec 31, 2023	Dec 31, 2022
Depreciation of right-of-use assets			
Technical space	9	1,086	1,076
Technical equipment	7	1,018	887
Non-technical space	8	719	729
Land	15	87	89
Other	4	163	110
Total depreciation		**3,073**	**2,891**
Interest expense (included in finance cost)		664	397
Expenses relating to current leases, low-value assets and variable lease payments[1]		49	52
Total expenses		**3,786**	**3,339**

1) Expenses related to current leases, leases of low-value assets and variable lease payments are included in the line items Goods and services purchased and Other external expenses.

There was no material income related to subleases or sale or lease back transactions during 2023 or 2022.

Amounts recognized in the consolidated statements of cash flow
The total cash outflow for leases in 2023 amounted to SEK 3,812 million (3,205). Repayments of lease liabilities have been recognized as cash flow from financing activities and paid interest has been recognized as cash flow from operating activities.

Telia Company as lessor

Finance leases
The lease portfolio of Telia Company's customer financing operations in Sweden, Finland, and Norway, comprise financing related to Telia Company's product offerings such as devices and customer premises equipment.

The term of the contract stock is approximately 9 quarters (13). The term of new contracts signed in 2023 was 9 quarters (13). Of all contracts, 86 % (76) carry a fixed interest rate and 14% (24) a floating interest rate. Many contracts include renewal options.

SEK in millions	Dec 31, 2023	Dec 31, 2022
Selling profit	45	39
Finance income on the net investment in the lease	87	65
Total	**132**	**104**

Finance lease maturity analysis
Lease payments receivable have the following maturities.

SEK in millions	Dec 31, 2023	Dec 31, 2022
Less than 1 year	368	375
1-2 years	171	181
2-3 years	86	92
3-4 years	61	66
4-5 years	27	29
5 years+	5	3
Total undiscounted lease payments receivable	**718**	**745**
Unearned finance income	-70	-68
Net investment in the lease	**648**	**677**

As of December 31, 2023 expected credit losses for lease payments receivables totaled SEK 3 million (3). Credit losses on leasing receivables are reduced by gains from the sale of equipment returned.

Operating leases
Telia Company as lessor, is leasing out various types of assets to customers such as technical equipment and space (i.e. copper, dark fibre, IRU. ducts and space on towers). Telia Company has operating lease agreements related product offerings to end-customers in Sweden and Finland. Contract periods range between 2 and 5 years, with an average term of approximately 3 years. In addition, Telia Company has operating lease contracts of handsets in Norway, which include a right for the customer to swap to a new handset by returning the current handset and entering into a new lease contract. Contract periods range between 1 and 2 years. For information on assets subject to operating leases, see Note C13.

SEK in millions	Dec 31, 2023	Dec 31, 2022
Lease income	2,367	2,414

There were no material variable lease payments related to operating leases during 2023 or 2022.

Maturity analysis for operating lease payments

SEK in millions	Dec 31, 2023	Dec 31, 2022[1]
Less than 1 year	2,041	2,024
1-2 years	1,477	1,350
2-3 years	999	1,028
3-4 years	773	718
4-5 years	638	589
5 years+	448	390
Total undiscounted lease payments receivables	**6,376**	**6,099**

1) 2022 maturity analysis has been restated.

C29. Related party transactions

The Swedish state
At year-end, the Swedish state held 41.1% of total shares in Telia Company. The remaining 58.9% of the total shares are widely held.

Telia Company group's services and products are offered to the Swedish state, their agencies, and state-owned companies in competition with other operators and on conventional commercial terms. Certain state-owned companies run businesses that compete with Telia Company. Likewise, Telia Company buys services from state-owned companies at market prices and on otherwise conventional commercial terms. Neither the Swedish state and their agencies, nor state-owned companies represent a significant share of Telia Company's revenue or earnings.

The Swedish telecommunications market is governed mainly by the Electronic Communications Act and ordinances, regulations and decisions in accordance with the Act. Notified operators are required to pay a fee to finance measures to prevent serious threats and disruptions to electronic communications during peacetime. The required fee from Telia Company was SEK 41 million in 2023 and SEK 38 million in 2022. In addition, Telia Company, like other operators, pays annual fees to the Swedish National Post and Telecom Agency (PTS) to fund the Agency's activities under the Electronic Communications Act and the Radio and Telecommunications Terminal Equipment Act. Telia Company paid fees of SEK 43 million in 2023 and 39 million in 2022.

Associated companies and joint ventures
Telia Company sells and buys services and products to and from associated companies. These transactions are based on commercial terms.

Summarized information on transactions and balances with associated companies was as follows.

	January–December or December 31	
SEK in millions	**2023**	**2022**
Sales of goods and services		
Valokuitu Kotiin Holding	6	11
Operators Clearing House	4	6
Tet	2	1
Other	1	0
Total sales of goods and services	**12**	**18**
Purchases of goods and services		
Mediamätning i Skandinavien	28	27
Tet	4	4
Suomen Numerot NUMPAC Oy	1	4
Other	2	3
Total purchases of goods and services	**35**	**38**
Total trade and other receivables	**4**	**4**
Total trade and other payables	**5**	**4**

Pension and personnel funds
As of December 31, 2023, Telia Company's Finnish pension fund held 366,802 shares and its Finnish personnel fund 722,604 shares in the company, respectively, in total representing 0.03% of total shares. For information on transactions and balances, see Note C22.

Key management
See section "Remuneration to corporate officers" in Note C32 for further details.

C30. Contingencies, other contractual obligations and litigation

Contingent assets and contingent liabilities
As of the end of the reporting period, Telia Company had no contingent assets, while financial guarantees reported as contingent liabilities were distributed as follows.

SEK in millions	Dec 31, 2023	Dec 31, 2022
Credit and performance guarantees, etc.	1	1
Subtotal (see Liquidity risk – Note C27)	**1**	**1**
Guarantees for pension obligations	346	321
Total contingent liabilities	**347**	**322**

As of December 31, 2023, credit and performance guarantees amounted to 1 MSEK, expected to mature in the fourth quarter 2024.

Some loan covenants agreed limit the scope for divesting or pledging certain assets. Some of Telia Company's bond issuances include change-of-control provisions which under certain conditions allow the lenders to call back the bond before scheduled maturity. Conditions stipulated include a new owner taking control of Telia Company, as such also resulting in a lowering of Telia Company's official credit rating to a "non-investment grade" level.

For all financial guarantees issued, stated amounts equal the maximum potential future payments that Telia Company could be required to make under the respective guarantee.

Collateral pledged
As of the end of the reporting period, collateral pledged for blocked funds in bank accounts was SEK 0 million (40).

Other unrecognized contractual obligations
As of December 31, 2023, unrecognized contractual obligations regarding future acquisitions (or equivalent) of non-current assets (excluding film and program rights) represented the following expected maturities.

Expected investment period SEK in millions	Jan–Mar 2024	Apr–Jun 2024	Jul–Sep 2024	Oct–Dec 2024	2025	2026	2027	2028	Later years	Total
Intangible assets	20	10	2	1	0	0	0	0	0	**33**
Property, plant and equipment	1,613	1,258	656	443	269	3	120	117	223	**4,702**
Leases	6	6	6	6	24	25	27	26	26	**152**
Total	**1,639**	**1,274**	**664**	**450**	**293**	**28**	**147**	**143**	**249**	**4,887**

As of December 31, 2023, contractual obligations totaled SEK 15,672 million (18,479), of which SEK 10,785 million (13,516), related to film and program rights. See Note C14 for further information.

Legal and administrative proceedings
In its normal course of business, Telia Company is involved in a number of legal proceedings. These proceedings primarily involve claims arising out of commercial contract and commercial law issues and matters relating to telecommunications regulations and copyright laws.

Except for the proceedings described here, Telia Company or it's subsidiaries are not involved in any legal, arbitration or regulatory proceedings which management believes could have a material adverse effect on Telia Company's business, financial condition or results of operations.

As disclosed in the Annual and Sustainability Report 2022, the Norwegian Tax Administration (NTA) has performed a VAT audit investigating the treatment of the supply of electronic news services during the years 2016-2018 in GET AS, which was acquired by Telia Company in 2018. NTA has in the second quarter 2023 issued a decision requesting Telia Company to pay an amount of approximately SEK 0.3 billion, which in the fourth quarter has been appealed by Telia Company. According to transaction warranties Telia Company has a right to reclaim SEK 138 million for tax payments made related to periods before the GET acquisition. NTA has in the fourth quarter 2023 expanded the VAT audit to also cover the years 2019-2022. As a result of Telia Company's updated risk assessment a total provision of SEK 419 million has been recognized per December 31, 2023 (no material provision recognized 2022), whereof SEK 279 million is classified as non-current. New Norwegian VAT legislation has been implemented as of January 1, 2023, which limits the exposure to the years 2016 – 2022. In February 2024 Telia Company paid the amount of SEK 270 million requested by the NTA for the years 2016-2018, whereof SEK 130 millions was recognized as a deposit (asset) and SEK 140 million reduced the provision.

NTA has in the fourth quarter issued a notification to Telia Finance Norwegian Branch (TFN) relating to the tax depreciation period for purchased equipment in TFN during the years 2020-2022. The NTA notification has been appealed but based on Telia Company's risk assessment performed in the fourth quarter 2023, an increase of current tax liabilities of SEK 212 million has been recognized, with a corresponding net income tax expense of SEK 117 million and a deferred tax liability reversal of SEK 95 million.

The Finnish Tax Agency has in 2022 issued a decision requesting Telia Company to pay Real Estate Transfer Tax of approximately SEK 0.2 billion, related to a share transaction in 2019 involving Telia Towers Finland Oy. The Finnish Supreme Administrative Court has in the second quarter 2023 confirmed that Telia Towers Finland Oy is not to be classified as a Real estate company. The Finnish Tax Agency has on July 5, 2023, decided to revoke its entire previous claim on Telia Company.

C31. Cash flow information

Non-cash transactions, continuing and discontinued operations

Asset retirement obligations (AROs)
In 2023 and 2022, obligations regarding future dismantling and restoration of technical sites entailed non-cash investments of SEK 760 million and SEK 167 million, respectively, see Note C23.

Building-infrastructure exchange transactions
Telia Company provides and installs infrastructure in buildings and as compensation is granted an exclusive right to deliver services for 5–10 years through this infrastructure. These activities entailed non-cash exchanges of SEK 9 million in 2023 and SEK 31 million in 2022.

Dividends, interest and income taxes, continuing and discontinued operations

SEK millions	Jan-Dec 2023	Jan-Dec 2022
Dividends received	134	136
Interest received	774	275
Interest paid	-4,075	-2,843
Income taxes paid	-1,304	-1,532

Dividends to holders of non-controlling interests, continuing and discontinued operations

SEK in millions	Jan–Dec 2023	Jan–Dec 2022
Subsidiaries		
Telia Towers AB	-319	-235
Latvijas Mobilais Telefons SIA	-111	-166
Telia Lietuva, AB	-48	-73
Total dividends to holders of non-controlling interests	**-478**	**-473**

Liabilities and cash flows arising from financing activities

SEK in millions	Jan 1, 2023 Opening Balance	Cash flows	Non-cash changes: Acquisitions/ Divestments	New and changed lease contracts	Foreign exchange movement	Fair value changes	Other changes[1]	Reclassified to Liabilites associated with assets held for sale[2]	Dec 31, 2023 Closing Balance
Non-current lease liabilites	**13,971**	-	-	4,662	-159	-	-3,210	-753	**14,511**
Derivative liabilities hedging non-current borrowings	**7,138**	-	-	-	80	-1,658	193	-	**5,753**
Other non-current borrowings	**73,446**	13,854	-	-	-197	1,879	-10,411	-339	**78,233**
Non-current borrowings	**94,555**	**13,854**	**-**	**4,662**	**-275**	**222**	**-13,429**	**-1,092**	**98,497**
Current lease liabilites	**3,261**	-2,822	-	-	-38	-	2,972	-217	**3,156**
Derivative liabilities hedging current borrowings	**229**	-	-	-	-176	-3	382	-	**433**
Other current borrowings	**3,516**	-3,794	0	-	-149	-71	10,978	-	**10,481**
Current borrowings	**7,007**	**-6,616**	**0**	**-**	**-363**	**-74**	**14,332**	**-217**	**14,069**
Non-current borrowings	**-**	-	-	-	-	-	-	1,092	**1,092**
Current borrowings	**-**	-	-	-	-	-	-	217	**217**
Borrowings discontinued operations	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,309**	**1,309**
Total Liabilites from financing activities	**101,561**	**7,239**	**0**	**4,662**	**-638**	**148**	**903**	**-**	**113,875**
Derivative assets hedging non-current borrowings	**-1,957**	-	-	-	478	-11	16	-	**-1,473**
Derivative assets hedging current borrowings	**-248**	63	-	-	-386	15	-70	-	**-628**
Other derivatives recognized as assets	**-5,171**	1,727	-	-	-873	3	-9	-	**-4,324**
Assets hedging borrowings[3]	**-7,376**	**1,790**	**-**	**-**	**-781**	**7**	**-64**	**-**	**-6,425**
Total liabilities from financing activities net of assets hedging borrowings[3]	**94,185**	**9,029**	**0**	**4,662**	**-1,419**	**154**	**839**	**-**	**107,450**

1) Other changes mainly refer to reclassification between non-current and current borrowings due to maturity.
2) Reclassification of borrowings and lease liabilities related to Telia Denmark.
3) Assets to hedge borrowings are included in cash flow from financing activities.

SEK in millions	Jan 1, 2022 Opening Balance	Cash flows	Non-cash changes: Acquisitions/Di-vestments	New and changed lease contracts	Foreign exchange movement	Fair value changes	Other changes[1]	Dec 31, 2022 Closing Balance
Non-current lease liabilites	**12,859**	**-**	-11	3,468	517	-	-2,861	**13,971**
Derivative liabilities hedging non-current borrowings	**1,533**	-	-	-	-534	6,059	80	**7,138**
Other non-current borrowings	**77,245**	3,893	-	-	4,609	-6,871	-5,431	**73,446**
Non-current borrowings	**91,637**	**3,893**	**-11**	**3,468**	**4,592**	**-811**	**-8,212**	**94,555**
Current lease liabilites	**2,872**	-2,748	-2	-	102	-	3,037	**3,261**
Derivative liabilities hedging current borrowings	**200**	-31	-	-	57	27	-24	**229**
Other current borrowings	**6,944**	-9,582	-6	-	-1,179	-39	7,378	**3,516**
Current borrowings	**10,017**	**-12,361**	**-8**	**-**	**-1,020**	**-12**	**10,390**	**7,007**
Total liabilities from financing activities	**101,654**	**-8,468**	**-20**	**3,468**	**3,571**	**-823**	**2,178**	**101,561**
Derivative assets hedging non-current borrowings	**-973**	-	-	-	-1,381	292	104	**-1,957**
Derivative assets hedging current borrowings	**-56**	57	-	-	-230	6	-26	**-248**
Other derivatives recognized as assets	**-682**	-4,596	-	-	214	35	-142	**-5,171**
Assets hedging borrowings[2]	**-1,710**	**-4,540**	**-**	**-**	**-1,397**	**333**	**-63**	**-7,376**
Total liabilities from financing activities net of assets hedging borrowings[2]	**99,944**	**-13,007**	**-20**	**3,468**	**2,175**	**-490**	**2,115**	**94,185**

1) Other changes mainly refer to reclassification between non-current and current borrowings due to maturity.
2) Assets to hedge borrowings are included in cash flow from financing activities.

Business combinations, other acquisitions and disposals
Telia Company group is continually restructured by acquiring and divesting equity instruments or operations.

In 2023, total net cash outflow from business combinations and other equity instruments acquired was SEK 181 million. In 2022, total net cash outflow from business combinations and other equity instruments acquired was SEK 58 million. For information on business combinations, see Note C34.

Total cash inflow from divested operations and other equity instruments in 2023 amounted to SEK 34 million. Total cash inflow from divested operations and other equity instruments in 2022 amounted to SEK 195 million.

C32. Human resources

Employees, salaries, and social security expenses
During 2023, the number of employees from continuing operations decreased by 596 to 17,897 at year-end from 18,493 at year-end 2022. The number of employees in discontinued operations increased by 3 to 747 from 744 at year-end 2022.

For both 2022 and 2023, operations were conducted in 8 countries of which continuing operations were in 8 countries.

The average number of full-time employees by country was as follows.

	Jan–Dec 2023		Jan–Dec 2022	
Country	Total (number)	of whom men (%)	Total (number)	of whom men (%)
Sweden	6,996	64.3	7,144	63.9
Finland	3,837	70.5	3,851	68.9
Norway	1,768	71.7	1,840	71.1
Lithuania	2,909	53.8	2,889	53.7
Estonia	1,458	54.9	1,520	53,0
Latvia	1,161	51.2	1,097	50.9
Denmark	48	79.2	53	77.4
Other countries	41	90.2	53	90.6
Total, continuing operations	**18,218**	**63.1**	**18,447**	**62,5**
Denmark	745	71.9	755	70.3
Total, discontinued operations	**745**	**71.9**	**755**	**70.3**
Total	**18,963**	**63.5**	**19,202**	**62.8**

The share of female and male senior executives was as follows. Boards of directors refer to board members in all consolidated group companies. Other senior executives include presidents and other members of executive management teams at the group level, region level and company level.

	Dec 31, 2023		Dec 31, 2022	
%	Boards of directors	Other senior executives	Boards of directors	Other senior executives
Women	31.3	45.5	32.5	38.4
Men	68.7	54.5	67.5	61.6
Total, continuing operations	**100**	**100**	**100**	**100**
Women	33.3	27.3	33.3	33.3
Men	66.7	72.7	66.7	66.7
Total, discontinued operations	**100**	**100**	**100**	**100**

Total salaries and other remuneration, along with social security expenses and other personnel expenses, were as follows.

SEK in millions	Jan–Dec 2023	Jan–Dec 2022
Salaries and other remuneration	**12,595**	**11,226**
Social security expenses		
Employer's social security contributions	2,464	2,140
Pension expenses	1,290	1,540
Total social security expenses	**3,754**	**3,680**
Capitalized work by employees	-1,670	-1,595
Other personnel expenses	118	201
Total personnel expenses, continuing operations	**14,797**	**13,512**
Total personnel expenses, discontinued operations	**816**	**694**

Salaries and other remuneration were divided between senior executives and other employees as follows. Variable pay was expensed in the respective year, but disbursed in the following year.

	Jan–Dec 2023		Jan–Dec 2022	
SEK in millions	Senior executives (of which variable pay)	Other employees	Senior executives (of which variable pay)	Other employees
Salaries and other remuneration, continuing operations[1]	200 (18)	12,395	243 (23)	10,983
Salaries and other remuneration, discontinued operations	11 (2)	752	8 (2)	662

1) 2022 restated for comparability.

Pension expenses for all senior executives totaled SEK 15 million 2023 and SEK 34 million in 2022.

In 2023 and 2022, employee profit-sharing costs in Telia Company's Finnish subsidiaries amounted to SEK 80 million and SEK 32 million, respectively. In addition to this employee profit-sharing system, all Telia Company markets apply performance-based variable compensation for different groups of employees. In Sweden, for example, close to all permanent employees are included in variable compensation schemes, one type for the sales force and one for all other staff.

Long-term incentive program (LTI)
The 2010 to 2023 AGMs in Telia Company resolved to implement performance share programs (PSP), to be offered to a selected group of senior executives and key position holders within the group. Members of the Group Executive Management team are excluded. If the pre-defined financial performance conditions are met during the defined performance period, participants in the programs shall receive a number of Telia Company shares (performance shares) at a share price of SEK 0. The financial targets include a minimum level which must be achieved for any allotment of performance shares to occur at all, as well as a maximum level over which no additional allotment of performance shares will occur. Each program shall in total comprise no more than 2,355,802 (PSP 2020), 2,764,502 (PSP 2021), 3,428,025 (PSP 2022) and 4 065 601 (PSP 2023) Telia- Company shares, corresponding to approximately 0.06% of the total number of outstanding shares for PSP 2020, 0.07% for PSP 2021, 0.09% for PSP 2022 and 0,10% for PSP 2023 respectively.

Recalculation of final allotments of performance shares shall take place in the event of an intervening bonus issue, a split, a rights issue and/or other similar events.

Performance share program 2015 to 2023
Financial targets for the 2015 to 2020 programs are earnings before interest, tax, depreciation and amortization (EBITDA) and total shareholder return (TSR). The final allotments of performance shares will be based 50% on accumulated EBITDA and 50% on TSR during the full performance period of three years. TSR is measured in relation to TSR of a group of comparable telecom companies defined by the Board of Directors. The 2021 program got a target on Return on Capital Employed (ROCE) in addition to EBITDA and TSR. The final allotments of performance shares will be based on 25% weighting on accumulated EBITDA, 50% on TSR and 25% on ROCE. To align the performance measures with the Groups's strategic priorities, an Operational Free Cash Flow (OFCF) target and an Environmental, Social and Governance (ESG) target was introduced for the 2022 program in addition to the TSR and the ROCE targets. The 2023 program is similar as the 2022 program. The final allotments of performance shares in the 2022 and 2023 programs will be based on 40% weighting on TSR, 20% on ROCE, 25% on OFC and 15% on ESG. The maximum number of performances shares a participant can receive corresponds to 30% of the participant's annual base salary.

Participants are not required to invest in Telia Company shares. The final number of performance shares awarded shall be capped at such number where the aggregated market value corresponds to 60% of each participant's base salary.

PSP 2020 vesting in spring 2023 gave zero allotment and no Telia Company shares were transferred to the participants in the "Long Term Incentive program 2020/2023" (LTI program).

The summarized performance share program activity in 2023 was as follows.

Performance share program	2023/2026	2022/2025	2021/2024	2020/2023
Number of participants, December 31, 2022	-	249	170	146
New participants in 2023	249	-	-	-
Terminated employments in 2023	-12	-40	-35	-5
Final allotments in 2023	-	-	-	-141
Number of participants, December 31, 2023	**237**	**209**	**135**	**-**
Total outstanding share rights, December 31, 2023	4,052,598	2,643,133	1,728,981	-
Preliminary allotments, December 31, 2022	-	-	-	-
Preliminary allotments in 2023	4,258,968	-	-	-
Forfeited shares	-2,661,206	-2,448,276	-1,728,981	-1,524,712
Cancelled shares	-206,370	-522,883	-462,273	-78,560
Final allotments	-	-	-	-
Number of allotted shares, December 31, 2023	**0**	**0**	**0**	**0**

The estimated fair value at the date of allotment and the assumptions used when estimating the achievements of the performance conditions were as follows.

Performance share program	2023/2026	2022/2025	2021/2024	2020/2023
Fair value at the date of allotment (SEK in millions)	41	43	16	11
Assumptions used (percentages)				
Achievement of EBITDA-based performance condition	-	-	0	0
Achievement of ROCE-based performance condition	83	0	0	-
Achievement of Operational free cash flow-based performance condition	59	0	-	-
Achievement of ESG-based performance conditions				
Climate	50	50	-	-
Digital inclusion	100	100	-	-
Privacy	100	100	-	-
Achievement of TSR-based performance condition was based on				
Estimated volatility, Telia Company	21	22	22	20
Estimated volatility, peer group companies	15-34	19-36	17-29	16-39
Average reciprocal correlation between Telia Company and the peer group companies	70	46	47	50
Risk-free interest rate	2.9	1.2	-0.1	-0.3

The achievement of the TSR-based performance condition was estimated using a Monte Carlo simulation model. The estimated fair value of each performance share program and related social security expenses are amortized to expense over the performance period. Total personnel expenses were as follows.

SEK in millions	Jan–Dec 2023	Jan–Dec 2022
Salaries and other remuneration	24	20
Social security expenses	6	5
Total personnel expenses, performance share programs	**29**	**25**

Remuneration to corporate officers

Board of Directors

As resolved by the 2023 AGM of shareholders (AGM) in Telia Company, annual remuneration is paid to the members of the Board of Directors in the amount of SEK 2,000,000 (2,000,000) to the Chair, SEK 940,000 (940,000) to the Vice-Chair and SEK 670,000 (670,000) to each of the other directors, elected by the AGM. In addition, annual remuneration is paid to the members of the Board's Audit Committee in the amount of SEK 300,000 (300,000) to the Chair and SEK 170,000 (170,000) to each of the other members. Additional annual remuneration is also paid to the members of the Board's Remuneration Committee in the amount of SEK 75,000 (75,000) to the Chair and SEK 75,000 (75,000) to each of the other members.

Remuneration to Board members

SEK in thousands	Board[1]	Audit Committee	Remuneration Committee	Total remuneration
Board of Directors, 2023				
Lars-Johan Jarnheimer, Chair	2,000	-	75	**2,075**
Ingrid Bonde, Vice-Chair	940	170	-	**1,110**
Johannes Ametsreiter	670	126	-	**796**
Luisa Delgado	670	-	75	**745**
Tomas Eliasson	670	266	-	**936**
Rickard Gustafson	670	-	75	**745**
Jeanette Jäger	670	-	-	**670**
Nina Linander until April 5	175	78	-	**253**
Jimmy Maymann	670	-	-	**670**
Sarah Eccleston from April 5	495	-	-	**495**
Total	**7,629**	**640**	**225**	**8,494**

SEK in thousands	Board	Audit Committee	Remuneration Committee	Total remuneration
Board of Directors, 2022				
Lars-Johan Jarnheimer, Chair	1,975	-	75	**2,050**
Ingrid Bonde, Vice-Chair	929	167	-	**1,096**
Johannes Ametsreiter from April 6	493	-	-	**493**
Luisa Delgado	662	-	75	**737**
Tomas Eliasson from April 6	493	-	-	**493**
Rickard Gustafson	662	-	75	**737**
Jeanette Jäger	662	-	-	**662**
Nina Linander	662	296	-	**958**
Jimmy Maymann	662	167	-	**829**
Martin Tivéus until April 6	171	-	-	**171**
Total	**7,367**	**630**	**225**	**8,222**

1) Board remuneration, remuneration for Audit Committee and remuneration for Remuneration Committee are presented in separate columns above. The remuneration is paid monthly. Lars-Johan Jarnheimer, Ingrid Bonde, Johannes Ametsreiter, Luisa Delgado, Tomas Eliasson, Rickard Gustafsson, Jeanette Jäger and Jimmy Maymann were re-elected at the AGM 2023. New board member is Sarah Eccleston. Numbers may not add up due to rounding.

Group Executive Management
The Chief Executive Officer (CEO) and the "Other members of the Group Executive Management" referring to the four EVPs and the nine SVPs directly reporting to the CEO in 2023, constituted the Telia Company Group Executive Management.

Guidelines for remuneration to Group Executive Management
The Annual General Meeting on April 5, 2023, decided on guidelines for remuneration to Group Executive Management which have been applicable during 2023, see section 'Remuneration to executive management' in the Directors' Report. The guidelines shall be in force until new guidelines are adopted by the general meeting and valid for a maximum of four years. The purpose of the guidelines is to ensure that Telia Company can recruit and retain qualified employees, which is a prerequisite for the successful implementation of the Company's business strategy and safeguarding of its long-term interests, including its sustainability objectives.

The guidelines do not apply to any remuneration decided or approved by the general meeting.

The Board of Directors will not propose changes to the guidelines to the Annual General Meeting on April 10, 2024.

Remuneration and other benefits earned as member of Group Executive Management during the year and capital value of pension commitments.

SEK in thousands	Base salary	Other remu-neration[1]	Other benefits[2]	Pension expense[3]	Total remu-neration	Capital value of pension commitment[4]
Group Executive Management, 2023						
Allison Kirkby, CEO	18,360	8,212	342	535	**27,449**	**-**
Other members of Group Executive Management (including 4 EVPs and 9 SVPs)	66,873	13,811	3,298	6,605	**90,588**	**22,486**
Total	**85,233**	**22,024**	**3,640**	**7,140**	**118,037**	**22,486**
Other former members of Group Executive Management						
Other former members of Group Executive Management (1 individual)[5]	7,742	-	63	768	**8,573**	**-**
Other former CEOs and EVPs (8 individuals)	-	-	-	-	**-**	**125,852**
Total	**7,742**	**-**	**63**	**768**	**8,573**	**125,852**
Grand total	**92,975**	**22,024**	**3,704**	**7,908**	**126,610**	**148,338**

SEK in thousands	Base salary	Other remu-neration	Other benefits	Pension expense	Total remu-neration	Capital value of pension commitment
Group Executive Management, 2022						
Allison Kirkby, CEO	18,360	307	75	7,313	**26,055**	**-**
Other members of Group Executive Management (including 3 EVPs and 9 SVPs)	63,052	2,603	3,163	16,844	**85,662**	**21 259**
Total	**81,412**	**2,910**	**3,238**	**24,157**	**111,717**	**21,259**
Other former members of Group Executive Management						
Other former members of Group Executive Management (2 individuals)	22,986	198	735	5,437	**29,356**	**-**
Other former CEOs and EVPs (8 individuals)						**123,662**
Total	**22,986**	**198**	**735**	**5,437**	**29,356**	**123,662**
Grand total	**104,398**	**3,108**	**3,974**	**29,594**	**141,073**	**144,921**

1) Other remuneration for CEO and other members of Group Executive Management mainly includes cash allowances introduced to compensate for capped defined contribution schemes and holiday pay.

2) Other benefits refer to insurances, company car benefits, relocation benefits and a number of other taxable benefits. Other benefits for Allison Kirkby are mainly company car benefit and insurances.

3) See further disclosures concerning the terms and conditions of pension benefits below.

4) Capital value of pension commitment includes defined benefit plans for eight former CEOs and EVPs (left Telia Company before 2022) and one SVP who retired from GEM during 2023.

5) Other former members of the Group Executive Management includes one member who left Telia Company. Provisions during the notice period for base salary, benefits and pension costs as well as for provisions for severance pay are included in the amount. The salary during notice period and severance pay will be reduced by any other income. The provision will then be reduced.

Comments on the table related to 2022 can be found in the Annual and Sustainability Report 2022. Numbers may not add up due to rounding.

Pension benefits
Telia Company offers permanent members of the Group Executive Management defined contribution pension schemes. A defined contribution scheme provides premium contributions to the pension scheme as a percentage of the pensionable salary or as a fixed amount. The level of pension benefits at retirement will be determined by the contributions paid and the return on investments and the costs associated to the plan.

For defined benefit plans, the main drivers of the change in capital value for the obligation are the change in discount rate, paid out pension premiums and the fact that one member of group management has a defined benefit pension plan.

CEO
The CEO is eligible to a defined contribution pension scheme with contributions corresponding to 4.5% of base salary up to 7.5 income base amounts and to 30% of base salary from 7.5 income base amounts and up to 30 income base amounts. These contributions for Allison Kirkby as CEO add up to a total pension contribution of SEK 535,225 (compared to a base salary of SEK 18,360,000 representing 2.9%).

The contributions into the scheme are vested immediately. The income base amount is determined annually by the Swedish Government and was SEK 74,300 for 2023. The retirement age is variable. Contributions to the pension scheme will cease at retirement or earlier if leaving the company for any other reason.

Other members of Group Executive Management
The EVPs and the SVPs based in Sweden are eligible to defined contribution pension schemes providing contributions corresponding to 4.5% of their base salary up to 7.5 income base amounts and 30% of of base salary from 7.5 income base amounts and up to 30 income base amounts. Members of Group Executive Management in Sweden covered by the ITP plan are in addition to the pension contribution covered by all collective agreed benefits. One Group Executive Management member is covered by a defined benefit plan. Group Executive Management members based in other countries are also eligible for defined contributions pension schemes (with the exception of legally required defined benefit pension plans in Finland). One member based in another country received a cash allowance as part of the pension contribution. The contributions to the pension schemes are vested immediately. The retirement age for members of Group Executive Management is 65 or variable.

Other former members of Group Executive Management
Defined pension benefits earned by former CEOs and EVPs until 2008 are pledged and calculated as capital values (debt) until all their lifelong pensions are fully paid out by Telia Company. Their pensions are paid out from the age of 60. Since 2008, Telia Company does not offer any defined benefit pension schemes to CEOs and Group Executive Management.

C33. Remuneration to audit firms

Remuneration to elected audit firms for audit and other reviews based on applicable legislation and for advice and other assistance resulting from observations in the reviews was as follows. Remuneration also includes independent advice, using group auditors or other locally elected audit firms, in the fields of Tax/Law and Corporate Finance as well as other consulting services. Deloitte AB was re-elected at the AGM as Telia Company's group auditor. The remuneration to Deloitte was as follows for the total Telia group. For the review of interim financial statements, no separate remuneration has been debited.

Remuneration to other audit firms refers to subsidiaries not audited by the group auditors.

SEK in millions	Jan–Dec 2023	Jan–Dec 2022
Remuneration		
Deloitte		
Audit	39	36
Audit-related services	1	2
Tax services	0	2
All other services	0	0
Total Deloitte	**41**	**40**
Other audit firms		
Audit	1	1
Audit-related services	0	0
Tax services	5	1
All other services	1	1
Total Other audit firms	**7**	**3**

C34. Assets held for sale and discontinued operations

Discontinued operations

On September 15, 2023 Telia Company signed the final and binding sales agreement for the sale of the operations and network assets in Denmark to Norlys a.m.b.a. (Norlys) at an enterprise value of DKK 6.25 billion (approximately SEK 9.5 billion), on a cash and debt-free basis. The valuation is equivalent to 8.9x previous segment Telia Denmark's 2022 reported EBITDA. The transaction is subject to approval from Norlys' owners (which was received in September) and customary regulatory approvals (which was received in February), with closing expected in early April 2024. The transaction is in line with Telia's strategy to focus on markets where there is a clear path to securing and defending leading market positions. Norlys is Denmark's largest integrated energy and telecommunications group. Telia intends to use the transaction proceeds for deleveraging purposes.

Classification

Based on the signed, final, binding sales agreement the sale is deemed highly probable within one year and the operations and network assets in Denmark to be sold are therefore classified as held for sale and discontinued operations as of September 15, 2023. Danish units that will not be sold are included in Other operations within continuing operations.

Presentation

The consolidated statements of comprehensive income for current and comparative periods reflect the split into continuing and discontinued operations, i.e. comparative periods have been restated. The consolidated cash flow statements for current and comparative periods present cash flows for the total group, but with additional information on cash flows from discontinued operations. Operational free cash flow for the group includes only cash flow from continuing operations. The consolidated statement of financial position as of December 31, 2023 presents assets and liabilities to be disposed as held for sale, but comparative periods are not restated. The amounts for continuing and discontinued operations in the consolidated financial statements are presented after elimination of intra group transactions and balances.

Measurement

The sales price in the signed sales agreement exceeds the carrying value of discontinued operations and accordingly no impairment loss have been recognized on the classification as held for sale and discontinued operations or as of December 31, 2023.

Financial risk management

Telia Company's net investments in the operations and network assets in Denmark are although classified as discontinued operations, still exposed to fluctuations in foreign exchange rates and managed accordingly. Transaction risk on proceeds of the disposal is dealt with as a part of the group's established foreign exchange risk management procedures following the group policy on financial management. Conversion risk in discontinued operations relates to the net investments in foreign operations in DKK.

The liquidity reserve for the discontinued operations as of December 31, 2023 was SEK 118 million, which relates to cash and cash equivalents. Based on the current liquidity reserve and the expected disposal of the operations and network assets in Denmark within one year, Telia Company's liquidity risk relating to discontinued operations is considered limited.

Credit risk related to discontinued operations is dealt with as part of the group's established credit risk management procedures following the group policy, or where applicable, the entity´s policy on financial management.

The interest-bearing borrowings in discontinued operations refer mainly to loans with short maturity and lease liabilities. Considering the expected disposal within one year the interest rate risk exposure for Telia Company is deemed limited. The interest rate risk relating to cash and cash equivalents and receivables is also deemed limited.

Net income from discontinued operations (Denmark)

SEK in millions, except per share data	Jan–Dec 2023	Jan–Dec 2022
Revenue	5,679	5,247
Expenses and other operating income, net	-4,639	-5,449
Operating income	**1,040**	**-202**
Financial items, net	-34	-25
Income after financial items	**1,005**	**-227**
Income taxes	-113	-27
Net income from discontinued operations	**891**	**-255**
Adjusted EBITDA	1,473	1,374
EPS from discontinued operations (SEK)	0.23	-0.06

Assets classified as held for sale (Denmark)

SEK in millions	Dec 31, 2023	Dec 31, 2022
Goodwill and other intangible assets	3,198	–
Property, plant and equipment	2,566	–
Right-of-use assets	1,057	–
Other non-current assets	216	–
Other current assets	1,155	–
Cash and cash equivalents	118	–
Assets classified as held for sale	**8,310**	**–**
Non-current borrowings	1,092	–
Non-current provisions	188	–
Other non-current liabilities	1,200	–
Current borrowings	217	–
Other current liabilities	1,472	–
Liabilities associated with assets classified as held for sale	**4,169**	**–**
Net assets classified as held for sale	**4,141**	**–**

Parent company income statements

SEK in millions	Note	Jan–Dec 2023	Jan–Dec 2022
Revenue	P2	2,024	1,713
Goods and services purchased	P3	-1,411	-1,107
Personnel expenses	P26	-811	-741
Other external expenses	P3	-221	-512
Other operating income	P4	168	139
Other operating expenses	P4	-260	-284
EBITDA		**-511**	**-792**
Depreciation, amortization and impairment		-	-1
Operating income		**-511**	**-793**
Finance income	P5	10,243	14,918
Finance costs	P5	-9,763	-20,491
Income after financial items		**-31**	**-6,365**
Appropriations	P6	1,793	6,079
Income before taxes		**1,762**	**-286**
Income taxes	P6	-14	-522
Net income		**1,749**	**-808**

Parent company statements of comprehensive income

SEK in millions	Note	Jan–Dec 2023	Jan–Dec 2022
Net income		**1,749**	**-808**
Items that may be reclassified to net income			
Cash flow hedges		-100	267
Cost of hedging		-102	155
Income taxes relating to items that may be reclassified		42	-87
Items that will not be reclassified to net income			
Equity instruments at fair value through OCI		310	-52
Total other comprehensive income	P7	**151**	**283**
Total comprehensive income		**1,899**	**-525**

Parent company balance sheets

SEK in millions	Note	Dec 31, 2023	Dec 31, 2022
Assets			
Intangible assets	P8	0	0
Property, plant and equipment	P9	0	0
Deferred tax assets	P6	316	-
Other financial assets	P11	150,066	153,316
Total non-current assets		**150,382**	**153,316**
Film and program rights, current	P10	756	667
Trade and other receivables	P12	29,858	28,838
Current tax receivables		11	70
Short-term investments	P13	6,938	1,678
Cash and bank	P13	9,839	5,581
Total current assets		**47,401**	**36,833**
Total assets		**197,783**	**190,149**

SEK in millions	Note	Dec 31, 2023	Dec 31, 2022
Shareholders' equity and liabilities			
Restricted equity			
Share capital		13,856	13,856
Statutory reserve		1,855	1,855
Reserve for capitalized development expenses		-	0
Non-restricted equity			
Fair value reserve		2,201	2,053
Retained earnings		45,529	54,196
Net income		1,749	-808
Total shareholders' equity		**65,189**	**71,153**
Untaxed reserves	P6	**5,539**	**5,862**
Provisions for pensions and employment contracts	P15	304	322
Deferred tax liabilities	P6	-	18
Other non-current provisions	P16	77	92
Total non-current provisions		**382**	**432**
Non-current borrowings, interest-bearing	P17	83,110	79,861
Other non-current liabilities	P18	17	9
Total non-current liabilities		**83,127**	**79,871**
Current borrowings, interest-bearing	P17	38,294	30,364
Current provisions, trade payables and other current liabilities	P16, P19	5,251	2,467
Total current liabilities		**43,546**	**32,831**
Total shareholders' equity and liabilities		**197,783**	**190,149**

Parent company cash flow statements

SEK in millions	Note	Jan–Dec 2023	Jan–Dec 2022
Net income		1,749	-808
Adjustments for:			
Amortization, depreciation and impairment losses		5,009	14,979
Amortization film and program right assets		1,410	1,103
Capital gains/losses on sales/disposals of non-current assets		41	-11,108
Pensions and other provisions		9	-103
Financial items		-44	2,922
Group contributions and appropriations		-1,793	-6,079
Income taxes		-233	-84
Cash flow before change in working capital		**6,148**	**821**
Increase (-)/Decrease (+) in film and program right assets		-89	-58
Increase (-)/Decrease (+) in operating receivables		-801	455
Increase (+)/Decrease (-) in operating liabilities		682	-239
Change in working capital		**-208**	**158**
Adjustment for amortization film and program rights		-1,410	-1,103
Cash flow from operating activities		**4,529**	**-124**
Equity instruments acquired		-1,682	-6,183
Equity instruments and operations divested		20	11,953
Net change in loans granted and other similar investments		-6,446	-1,611
Net change in interest-bearing current receivables		-4,656	6,083
Repayment of non-current loans		1,853	985
Cash flow from investing activities		**-10,911**	**11,228**

SEK in millions	Note	Jan–Dec 2023	Jan–Dec 2022
Cash flow before financing activities		**-6,382**	**11,104**
Repurchased treasury shares including transaction costs		-	-5,521
Dividend to shareholders		-5,898	-8,252
Group contributions net		5,234	5,368
Proceeds from borrowings		13,263	15,400
Repayment of borrowings		-3,065	-21,322
Settlement of derivative contracts for economic hedges and CSA		1,602	-4,438
Cash received for repurchase agreements		1,824	38,033
Cash paid for repurchase agreements		-1,824	-38,033
Cash flow from financing activities		**11,137**	**-18,765**
Change in cash and cash equivalents		**4,755**	**-7,661**
Cash and cash equivalents, opening balance		**5,581**	**13,214**
Change in cash and cash equivalents		4,755	-7,661
Exchange rate differences in cash and cash equivalents		-94	27
Cash and cash equivalents, closing balance	P13	**10,242**	**5,581**
Dividends received		6,641	1,807
Interest received		3,129	2,113
Interest paid		-4,297	-2,607
Income taxes paid		-246	-606

Parent company statements of changes in shareholders' equity

SEK in millions	Note	Share capital	Statutory reserve	Reserve for capitalized development expenses	Fair value reserve	Retained earnings	Total shareholders' equity
Closing balance, December 31, 2021		**13,856**	**1,855**	**1**	**1,780**	**67,943**	**85,434**
Dividend	P14	-	-	-	-	-8,252	**-8,252**
Share-based payments	P26	-	-	-	-	5	**5**
Repurchased treasury shares		-	-	-	-	-5,499	**-5,499**
Capitalized development expenses	P8	-	-	-1	-	1	**-**
Total comprehensive income		-	-	-	283	-808	**-525**
Cash flow hedge transfer to assets		-	-	0	-10	-	**-10**
Closing balance, December 31, 2022		**13,856**	**1,855**	**0**	**2,053**	**53,389**	**71,153**
Dividend	P14	-	-	-	-	-7,864	**-7,864**
Share-based payments	P26	-	-	-	-	5	**5**
Cancellation of treasury shares		-534	-	-	-	534	**-**
Bonus issue		534	-	-	-	-534	**-**
Capitalized development expenses	P8	-	-	0	-	0	**-**
Total comprehensive income		-	-	-	151	1,749	**1,899**
Cash flow hedge transfer to assets		-	-	-	-3	-	**-3**
Closing balance, December 31, 2023		**13,856**	**1,855**	**-**	**2,201**	**47,278**	**65,189**

Notes to parent company financial statements

Contents

Note		Page
P1.	Basis of preparation	226
P2.	Revenue	227
P3.	Goods and services purchased and Other external expenses	227
P4.	Other operating income and expenses	228
P5.	Finance income and Finance costs	228
P6.	Income taxes	229
P7.	Other comprehensive income	231
P8.	Intangible assets	232
P9.	Property, plant and equipment	232
P10.	Film and program rights	233
P11.	Other financial assets	234
P12.	Trade and other receivables	237
P13.	Short-term investments, cash and cash equivalents	239
P14.	Shareholders' equity	239

Note		Page
P15.	Provisions for pensions and employment contracts	240
P16.	Other provisions	242
P17.	Non-current and current borrowings	242
P18.	Other non-current liabilities	243
P19.	Current provisions, trade payables and other current liabilities	243
P20.	Financial assets and liabilities by category and level	244
P21.	Financial risk management	249
P22.	Operating lease agreements	250
P23.	Related party transactions	250
P24.	Contingencies, other contractual obligations and litigation	250
P25.	Cash flow information	251
P26.	Human resources	253
P27.	Remuneration to audit firms	254

P1. Basis of preparation

General
The parent company Telia Company AB's financial statements have been prepared in accordance with the Swedish Annual Accounts Act, other Swedish legislation, and standard RFR 2 "Accounting for Legal Entities" and other statements issued by the Swedish Financial Reporting Board. The standard is applicable to Swedish legal entities whose equities at the end of the reporting period are listed on a Swedish stock exchange or authorized equity market place. In their consolidated financial statements such companies have to comply with the EU regulation on international accounting standards, while they still have to comply with the Annual Reports Act in their separate financial statements. RFR 2 states that as a main rule listed parent companies should apply IFRSs and specifies exceptions and additions, caused by legal provisions or by the connection between accounting and taxation in Sweden.

Measurement bases and material accounting principles
With the few exceptions below, Telia Company applies the same measurement bases and accounting principles as described in Notes to consolidated financial statements, Notes C1 and C3, respectively.

Item	Note	Accounting treatment
Intra company lendning and credit rating	P5, P17	Telia Company has an internal model for credit rating of subsidiaries used when pricing internal lending to subsidiaries. The model has two risk categories and, depending on risk rating, the model has a credit spread curve to be applied on top of the benchmark rate when lending money to subsidiaries. The model is based on pricing of inter-company lending at an arms-length basis and if the credit spreads used represent an unbiased pricing of credit risk, this is used for calculating expected credit losses on inter-company receivables.
Group contributions	P6	Under certain conditions, it is possible to transfer profits through group contributions between Swedish companies in a group. A group contribution is normally a deductible expense for the contributor and a taxable income for the recipient. Group contributions are recognized as appropriations in the income statement.
Borrowing costs	P5, P8, P9	Borrowing costs directly attributable to the acquisition, construction or production of an asset are not capitalized as part of the cost of that asset.
Investments in subsidiaries and associated companies	P5, P11	Shares in subsidiaries and associated companies are recognized at cost including related transaction expenses less any impairment. Dividends received are brought to income while repayment of certain contributed capital reduces the carrying value.
Provisions for pensions and employment contracts	P5, P15	Pension obligations and pension expenses are recognized in accordance with the simplification rule for pensions in RFR 2 "Accounting for legal entities."
Untaxed reserves and appropriations	P6	Untaxed reserves and appropriations are reported gross excluding deferred tax liabilities related to the temporary differences.
Capitalized development expenses	P8	The corresponding amount that has been capitalized as development expenses in the balance sheet as intangible assets have been recognized in the reserve for capitalized development expenses in equity.
Lease agreements	P22	All leasing agreements are accounted for as operating leases.

Amounts and dates
Unless otherwise specified, all amounts are in millions of Swedish krona (SEK million) or other currency specified and are based on the twelve-month period ended December 31 for income statement and cash flow statement items, and as of December 31, for balance sheet items, respectively.

Recently issued accounting standards
For information relevant to Telia Company, see Note C1.

Judgments and key sources of estimation uncertainty
For information relevant to Telia Company, see Note C2.

P2. Revenue

Revenue were mainly related to group common services to subsidiaries and were distributed among individually material countries as follows.

SEK in millions	Jan–Dec 2023	Jan–Dec 2022
Sweden	1,640	1,368
Finland	211	196
Norway	96	79
Denmark	34	33
Other countries	42	36
Total	**2,024**	**1,713**

P3. Goods and services purchased and Other external expenses

SEK in millions	Jan–Dec 2023	Jan–Dec 2022
Goods and services purchased		
Goods and sub-contracting services purchased and change in inventories	-1,411	-1,107
of which amortization and impairment losses of film and program rights[1]	*-1,410*	*-1,103*
Other network expenses	0	0
Total Goods and services purchased	**-1,411**	**-1,107**
Other external expenses		
Marketing expenses	-56	-63
IT expenses and consultancy fees	-221	-269
Property and energy costs	0	0
Other	56	-179
Total Other external expenses	**-221**	**-512**

1) For changes in Film and program rights, see Note P10.

P4. Other operating income and expenses

Other operating income and expenses were distributed as follows.

SEK in millions	Jan–Dec 2023	Jan–Dec 2022
Other operating income		
Exchange rate gains	168	139
Total other operating income	**168**	**139**
Exchange rate losses	-140	-136
Other operating expenses[1]	-121	-148
Total other operating expenses	**-260**	**-284**
Net effect on income	**-93**	**-145**

1) Mainly related to transaction expenses.

P5. Finance income and Finance costs

Finance income and finance costs were distributed as follows.

SEK in millions	Jan–Dec 2023	Jan–Dec 2022[1]
Finance income		
Reversal of impairments related to expected credit losses	197	-
Dividends from subsidiaries	6,641	1,807
Capital gains from subsidiaries	-	11,108
Dividends from associated companies	-	0
Net change in fair value on financial instruments not in a designated hedge relationship	167	-
Interest income	2,948	2,003
of which from Interest from subsidiaries	*2,359*	*1,928*
of which from Other	*589*	*74*
Net Exchange rate gains	289	-
of which exchange rate gains	*76,029*	-
of which exchange rate losses	*-75,741*	-
Total finance income	**10,243**	**14,918**
Finance costs		
Impairment losses from subsidiaries	-5,000	-15,233
Capital losses from subsidiaries	-41	-
Capital losses from associates	-	-23
Impairment losses from other financial investments	-9	-5
Interest expenses	-4,622	-2,646
of which from Borrowings and other financial liabilities at amortized cost	*-2,849*	*-2,257*
of which from Derivatives identified as hedging instruments	*-1,062*	*-105*
of which from Derivatives at fair value through income statement	*-24*	*-106*
of which from Net defined benefit pension asset/obligation	*-9*	*-10*
of which from Interest expenses from subsidiaries	*-635*	*-108*

SEK in millions	Jan–Dec 2023	Jan–Dec 2022[1]
of which from Other	*-42*	*-59*
Net exchange rate losses	-	-1,926
of which exchange rate losses	-	*-66,939*
of which exchange rate gains	-	*65,013*
Ineffectiveness on hedges	-70	-84
Net change in fair value on financial instruments not in a designated hedge relationship	-	-532
Other financial expenses	-21	-41
Total finance costs	**-9,763**	**-20,491**
Net effect on income	**480**	**-5,572**

1) Restated for comparability.

Impairment losses from subsidiaries include impairments related to the subsidiaries Telia Finland Oyj of SEK -2,450 million (-6,350 million), Telia Norge AS of SEK -2,200 million (-8,600 million) and TV Media Holding AB of SEK -350 million (-).

P6. Income taxes

Income tax items recognized in comprehensive income were distributed as follows.

SEK in millions	Jan–Dec 2023	Jan–Dec 2022
Income tax items recognized in net income		
Current tax	-305	-515
Adjustment of current tax related to prior years	0	0
Deferred tax, temporary differences	291	-7
Total income tax expense recognized in net income	**-14**	**-522**
Income tax items recognized in other comprehensive income		
Current tax	0	-3
Deferred tax	42	-84
Total income tax recognized in other comprehensive income	**42**	**-87**
Income tax items recognized directly in equity		
Current tax	-	22
Total income tax recognized directly in equity	**-**	**22**

Income before tax was SEK 1,762 million in 2023 (-286). The difference between the nominal Swedish income tax rate and the effective tax rate comprises the following components.

%	Jan–Dec 2023	Jan–Dec 2022
Swedish income tax rate	20.6	20.6
Underprovided or overprovided current tax expense in prior years	0.0	0.0
Interest expense for which no deferred tax asset was recognized	0.0	-14.7
Interest expense, change in deferred taxes prior years	-2.4	-
Non-deductible expenses	60.2	-1,117.5
Tax-exempt income	-77.7	929.2
Effective tax rate in net income	**0.8**	**-182.3**

Non-deductible expenses in 2023 and 2022 were mainly affected by impairments of subsidiaries of SEK 5,000 million (14,950). Tax-exempt income in both 2023 and 2022 consisted of dividends from subsidiaries. Tax exempt income in 2022 also included a capital gain from the disposal of Telia Towers Sweden AB.

	Dec 31, 2023			Dec 31, 2022		
SEK in millions	**Deferred tax assets**	**Deferred tax liabilities**	**Net**	**Deferred tax assets**	**Deferred tax liabilities**	**Net**
Opening balance	124	142	-18	131	58	73
Recognized in income statement	291	-	291	-7	-	-7
Recognized in OCI	-	-42	42	0	84	-84
Closing balance	**415**	**100**	**316**	**124**	**142**	**-18**

	Dec 31, 2023		2023	Dec 31, 2022		2022
SEK in millions	**Deferred tax assets**	**Deferred tax liabilities**	**Recognized in income statement**	**Deferred tax assets**	**Deferred tax liabilities**	**Recognized in income statement**
Non-current assets	1	-	0	1	-	0
Provisions	120	-	-3	124	-	-7
Interest expense carry-forward	295	-	295	0	-	0
Fair value adjustments, cash flow hedges and financial assets at fair value through OCI	-	100	-	-	142	-
Total deferred tax assets/liabilities	**416**	**100**	**291**	**124**	**142**	**-7**
Offset deferred tax assets/liabilities	-100	-100		-124	-124	
Net deferred tax assets/liabilities	**316**	**-**		**-**	**18**	

As of December 31, 2023, there were no accumulated non-expiring tax loss carry-forwards or unrecognized deferred tax assets. As of December 31, 2022, there were unrecognized deferred tax assets of SEK 42 million related to interest expense carry forwards with an expiry date in year 2028.

As of December 31, 2023, the unrecognized deferred tax liability in untaxed reserves amounted to SEK 1,141 million (1,208).

Untaxed reserves and appropriations

As of December 31, 2023 and 2022, untaxed reserves in the balance sheet consisted of profit equalization reserves totaling SEK 5,539 million and SEK 5,862 million, respectively.

SEK in millions	Jan–Dec 2023	Jan–Dec 2022
Change in profit equalization reserves	323	845
Group contributions received	2,650	5,743
Group contributions paid	-1,179	-509
Net effect on income	**1,793**	**6,079**

P7. Other comprehensive income

Other comprehensive income was distributed as follows.

SEK in millions	Equity component	Jan–Dec 2023	Jan–Dec 2022
Other comprehensive income that may be reclassified to net income			
Cash flow hedges			
Net changes in fair value	Hedging reserve	-38	206
Transferred to financial items in net income	Hedging reserve	-62	61
Income tax effect	Hedging reserve	21	-55
Total cash flow hedges		**-79**	**212**
Cost of hedging			
Changes in fair value	Cost of hedging reserve	-58	155
Transferred to financial items in net income	Cost of hedging reserve	-43	-
Income tax effect	Cost of hedging reserve	21	-32
Total cost of hedging		**-81**	**123**
Other comprehensive income that will not be reclassified to net income			
Equity instruments at fair value through OCI			
Changes in fair value	Fair value reserve	310	-52
Income tax effect	Fair value reserve	-	-
Total equity instruments at fair value through OCI		**310**	**-52**
Total other comprehensive income		**151**	**283**
of which total income tax effects (see also Note P6)		*42*	*-87*

P8. Intangible assets

The carrying value of intangible assets was distributed as follows.

SEK in millions	Other intangibles[1] Dec 31, 2023	Dec 31, 2022
Accumulated costs	16	16
Accumulated amortization	-16	-16
Carrying value	**0**	**0**
of which work in progress	-	-
Carrying value opening balance	**0**	**2**
Amortization for the year	0	-1
Carrying value, closing balance	**0**	**0**

1) Other intangibles are mainly related to IT-systems. As of December 31, 2023 carrying value of Capitalized development expenses amounted to SEK 0 million (0).

No general changes of useful lives were made during the year. For useful lives applied, see Note C2. Accelerated amortization, to the extent allowed by Swedish tax legislation, is recorded as untaxed reserves and appropriations, see this section in Note P6.

P9. Property, plant and equipment

The carrying value was distributed and changed as follows.

SEK in millions	Plant and machinery Dec 31, 2023	Dec 31, 2022	Equipment, tools and installations Dec 31, 2023	Dec 31, 2022	Total Dec 31, 2023	Dec 31, 2022
Accumulated cost	6	6	-	-	**6**	**6**
Accumulated depreciation	-6	-6	-	-	**-6**	**-6**
Carrying value	**0**	**0**	**-**	**-**	**0**	**0**
Carrying value, opening balance	0	0	-	0	**0**	**0**
Depreciation for the year	0	0	-	0	**0**	**0**
Carrying value, closing balance	**0**	**0**	**-**	**-**	**0**	**0**

No general changes of useful lives were made in 2023. For useful lives applied, see Note C2. Accelerated depreciation, to the extent allowed by Swedish tax legislation, is recorded as untaxed reserves and appropriations, see this section in Note P6.

P10. Film and program rights

The carrying value for Film and program rights was distributed and changed as follows:

SEK in millions	Dec 31, 2023	Dec 31, 2022
	Film and program rights	
Accumulated cost	3,757	2,257
Accumulated amortization	-3,001	-1,591
Advances (Prepaid)	-	-
Carrying value	**756**	**667**
of which current	*756*	*667*
Carrying value, opening balance	667	609
Additions	1,499	1,161
Amortizations for the year (included in EBITDA)	-1,410	-1,103
Carrying value, closing balance	**756**	**667**

Amortization of film and program rights is included within the Income statement line item Goods and services purchased. Contractual obligations regarding future acquistions (or equivalent) of film and program rights, which are not included in the balance sheet represented the following expected maturities.

SEK in millions	Dec 31, 2023	Dec 31, 2022
	Film and program rights commitments	
Within 1-3 years	1,070	1,900

For other unrecognized contractual obligations, see Note P24.

P11. Other financial assets

The carrying value changed as follows.

SEK in millions	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022
	Investments in associated companies and joint operations		Equity instruments		Investments in subsidiaries and other non-current financial assets		Total	
Carrying value, opening balance	56	70	569	544	152,691	162,724	**153,316**	**163,337**
New share issues and shareholder contributions	7	-	9	-	1,532	6,115	**1,548**	**6,115**
Repayment of capital	-	-	-13	-	-	-	**-13**	**-**
Additions	143	9	6	77	14,725	8,541	**14,875**	**8,626**
Disposals	-	-	-8	-	-1,927	-4,236	**-1,935**	**-4,236**
Impairment losses	-	-23	306	-52	-5,000	-14,950	**-4,694**	**-15,025**
Reclassifications to short-term investments	-	-	-	-	-13,106	-7,263	**-13,106**	**-7,263**
Other reclassifications	-	-	-	-	57	223	**57**	**223**
Changes in fair value	-	-	-	-	18	1,536	**18**	**1,536**
Carrying value, closing balance	**206**	**56**	**869**	**569**	**148,991**	**152,691**	**150,066**	**153,316**

SEK in millions	Carrying value Dec 31, 2023	Dec 31, 2022
Equity instruments	869	569
Bonds	5,018	3,496
Cross-currency interest rate swaps	1,565	1,993
Interest rate swaps	85	36
Investments in subsidiaries	87,314	90,802
Receivables from subsidiaries (Note P23)	54,573	55,925
Investments in associated companies and joint operations	206	56
Other	435	439
Total Other financial assets (Note P20)	**150,066**	**153,316**
of which interest-bearing	*61,677*	*61,886*
of which non-interest-bearing	*88,389*	*91,430*

Investments in subsidiaries are specified below, while corresponding information on associated companies and other equity instruments is presented in Notes C15 and C16.

Subsidiary, Corp. reg. no., registered office	Participation (%)	Number of shares	Carrying value (SEK in millions) Dec 31, 2023	Carrying value (SEK in millions) Dec 31, 2022
Swedish companies				
Telia Towers AB, 559196-5164, Stockholm	51	67,855,500	9,081	9,081
TV4 Media Holding AB, 556906-0824, Stockholm	100	50,000	8,857	9,207
Telia Sverige AB, 556430-0142, Stockholm	100	3,000,000	8,494	8,494
Telia Nättjänster Norden AB, 556459-3076, Stockholm	100	68,512	4,111	3,146
Telia Finance AB, 556404-6661, Solna	100	45,000	1,079	779
Cygate AB, 556549-8952, Solna	100	61,000	865	865
Telia Mobile Holding AB, 556855-9040, Stockholm	100	50,000	616	616
Zitius Service Delivery AB, 556642-8339, Gothenburg	100	2,079,000	353	353
Telia Försäkring AB, 516401-8490, Stockholm	100	2,000,000	245	245
Telia Sverige Net Fastigheter AB, 556368-4801, Stockholm	100	5,000	169	169
Teli Holding AB, 556258-5769, Solna	100	100	47	47
Telia Roof Infra AB, 559438-2235, Stockholm	100	100,000	25	-
Telia Asset Finance AB, 556599-4729, Solna	100	1,000	22	22
Elkraps AB, 559370-2698, Upplands-Bro	100	500	20	-
We Care and Repair Nordic AB, 556989-3679, Stockholm	100	500	7	7
Telia Field Operations AB, 556781-2424, Stockholm	100	100,000	6	2
isMobile AB, 556575-0014, Luleå	67	8,255,975	1	1

Subsidiary, Corp. reg. no., registered office	Participation (%)	Number of shares	Carrying value (SEK in millions) Dec 31, 2023	Carrying value (SEK in millions) Dec 31, 2022
Non-Swedish companies				
Telia Finland Oyj, 1475607-9, Helsinki	100	1,417,360,515	18,600	21,050
Telia Cygate Oy, 0752421-0, Helsinki	100	1,500,000	2,950	498
Telia Inmics-Nebula Oy, 2546028-1, Helsinki	-	-	-	2,214
Assembly Organizing Oy, 2245136-3, Helsinki	-	-	-	40
Telia Norge AS, 981929055, Oslo	100	30,000	21,875	24,075
Telia Company Danmark A/S, 18530740, Copenhagen	100	14,500	32	32
Telia Mobil Danmark A/S, 36462272, Copenhagen	100	500,000	1	1
Telia Lietuva, AB, 121215434, Vilnius	88.2	513,594,774	4,144	4,144
Telia Global Services Lithuania, UAB, 134517169, Vilnius	100	192,414	12	12
Telia Eesti AS, 10234957, Tallinn	100	137,954,528	5,691	5,691
Latvijas Mobilais Telefons SIA, 50003050931, Riga	24.5	200,165	2	2
TeliaSonera Telekomünikasyon Hizmetleri A.S., 381395, Istanbul	99.0	79,193	10	10
Other operating, dormant and divested companies			0	0
Total			**87,314**	**90,802**

During 2023 Telia Inmics-Nebula Oy was merged into its sister company Telia Cygate Oy. Telia Nättjänster Norden AB and Telia Finance AB received shareholder contributions of SEK 965 million and SEK 300 million, respectively. The decreases in carrying values of the shares in Telia Finland Oyj and Telia Norge AS are related to recognized impairments of SEK 2,450 million (6,350) and SEK 2,200 million (8,600), respectively. In addition an impairment was made of the shares in TV4 Media Holding AB with SEK 350 million. The shares in Assembly Organizing Oy were disposed during 2023.

Telia Danmark is a branch of Telia Nättjänster Norden AB. Telia Company's holdings in the network-sharing operations in Sweden and Denmark are held through Telia Sverige AB and Telia Mobile Holding AB, respectively. Another 24.5% of the shares in Latvijas Mobilais Telefons SIA are owned by a subsidiary. Telia Company has a board majority in Latvijas Mobilais Telefons SIA. Remaining shares in TeliaSonera Telekomünikasyon Hizmetleri A.S. is owned by Telia Finland Oyj which also controls Sonera Holding B.V. and TeliaSonera UTA Holding B.V..
Equity participation corresponds to voting rights participation in all companies. Other operating and dormant companies do not control group assets of significant value. In addition to companies mentioned above, Telia Company indirectly controls a number of operating and dormant subsidiaries of subsidiaries.

P12. Trade and other receivables

The carrying value of trade and other receivables were distributed as follows.

SEK in millions	Dec 31, 2023	Dec 31, 2022
Currency derivatives (swaps and forwards)	439	52
Interest rate swaps	-	28
Cross-currency interest rate swaps	1,101	232
Accounts receivable	24	62
Loans and receivables	69	11
Receivables from subsidiaries (Note P23)	24,518	23,250
of which cash-pool balances and current deposits	*20,631*	*16,493*
of which trade and other receivables	*3,887*	*6,757*
Other current financial receivables	3,673	5,147
Financial assets (Note P20)	**29,824**	**28,783**
Other current receivables and deferred expenses	33	55
Total trade and other current receivables and assets	**29,858**	**28,838**
of which interest-bearing	*25,458*	*21,887*
of which non-interest-bearing	*4,399*	*6,951*

For Accounts receivable and Loans and receivables (including receivables from associated companies and joint ventures), at the end of the reporting period, concentration of credit risk by geographical area and by customer segment was as follows.

SEK in millions	Dec 31, 2023	Dec 31, 2022
Geographical area		
Sweden	1	6
Other countries	23	55
Total carrying value	**24**	**62**
Customer segment		
Other customers	24	62
Total carrying value	**24**	**62**

As of the end of the reporting period, allowance for expected credit losses and ageing of Accounts receivable, respectively, were as follows.

SEK in millions	Dec 31, 2023	Dec 31, 2022
Accounts receivable invoiced	24	62
Allowance for expected credit losses for accounts receivable	-	-
Total accounts receivable	**24**	**62**
Accounts receivable not due	0	20
Accounts receivable past due but not impaired	24	42
of which 30–180 days	*24*	*41*
of which more than 180 days	*0*	*1*
Total accounts receivable	**24**	**62**

As of the end of the reporting period, ageing of Loans and receivables (including receivables from associated companies) were as follows.

SEK in millions	Dec 31, 2023	Dec 31, 2022
Loans and receivables not due	69	11
Total loans and receivables	**69**	**11**

There were no expenses for credit losses and no recovered Accounts receivables within accounts receivables or Loans and receivables at amortized cost in 2023 and in 2022.

P13. Short-term investments, cash and cash equivalents

Short-term investments, cash and cash equivalents were as follows.

SEK in millions	Dec 31, 2023	Dec 31, 2022
Short-term investments with maturities longer than 3 months	6,535	1,678
Short-term investments with maturities up to and including 3 months	403	-
Total short-term investments	**6,938**	**1,678**
Cash and bank	9,839	5,581
Total (Note P20)	**16,777**	**7,259**
of which cash and cash equivalents	*10,242*	*5,581*

Cash and cash equivalents are defined as the sum of Short-term investments with maturities up to and including 3 months and the balance sheet item Cash and bank.

As of December 31, 2023, there were no blocked funds in Telia Company's bank accounts.

P14. Shareholders' equity

Share capital, treasury shares, earnings per share and dividends
See Notes to consolidated financial statements (corresponding sections in Note C20).

At the disposal of the AGM:

	SEK
Non-restricted equity excluding net income	47,729,269,699
Net income	1,748,562,460
Total	**49,477,832,159**

The Board proposes that this sum be appropriated as follows:

	SEK
SEK 2.00 per share dividend to the shareholders[1]	7,864,218,572
To be carried forward	41,613,613,587
Total	**49,477,832,159**

1) Based on outstanding shares as per December 31, 2023.

The dividend is proposed to be split and distributed into four equal tranches of SEK 0.50 per share in April 2024, August 2024, November 2024 and February 2025. The Board of Directors is of the opinion that the proposed dividend, according to Chapter 18 Section 4 of the Swedish Companies Act, is justifiable. After distribution of the proposed dividend, the equity of the company and the group will be sufficient with respect to the nature, scope, and risks of the operations. Also, the company and the group are deemed to have a satisfactory level of liquidity, a consolidation need that is met and a satisfactory general financial position. The full statement by the Board of Directors will be included in the AGM documentation.

P15. Provisions for pensions and employment contracts

Pension obligations and pension expenses
The employees in Telia Company AB are covered by one of the three occupational pension plans ITP1, ITP2 or ITP-Tele due to collective agreement. ITP2 and ITP-Tele are defined benefit pension plans, which means that the individual is guaranteed a pension equal to a certain percentage of his or her salary. All employees born in 1979 or later are covered by ITP1.

Most pension obligations are secured by Telia Pension Fund. Certain commitments, such as certain supplementary individual pension benefits and a right under the employment contracts for certain categories of personnel to retire at age 55, 60, or 63, are provided for by taxed reserves in the balance sheet. Pension obligations are calculated annually, as of the end of the reporting period, based on actuarial principles.

SEK in millions	Dec 31, 2023	Dec 31, 2022
Opening balance, pension obligations covered by plan assets	1,643	1,517
Opening balance, pension obligations not covered by plan assets	322	351
Opening balance, total pension obligations	**1,965**	**1,868**
Current service cost	7	10
Interest cost, paid-up policy indexation	220	72
Benefits paid	-132	-125
Other changes in valuation of pension obligations and termination benefits	-10	-3
Change in discount rate, consolidation reserve and other assumptions	0	143
Closing balance, pension obligations covered by plan assets	**1,746**	**1,643**
Closing balance, pension obligations not covered by plan assets	304	322
Closing balance, total pension obligations	**2,050**	**1,965**
of which PRI Pensionsgaranti pensions	*1,577*	*1,469*

The fair value of plan assets changed as follows.

SEK in millions, except return	Dec 31, 2023	Dec 31, 2022
Opening balance, plan assets	2,851	3,059
Payments from pension fund	-30	-
Actual return	207	-208
Closing balance, plan assets	**3,028**	**2,851**
Actual return on plan assets (%)	*7.3*	*-6.8*

Provisions for pension obligations were recognized in the balance sheet as follows.

SEK in millions	Dec 31, 2023	Dec 31, 2022
Present value of pension obligations	2,050	1,965
Fair value of plan assets	-3,028	-2,851
Surplus capital in pension fund	1,282	1,208
Provisions for pension obligations	**304**	**322**

Total pension expenses (+)/income (-) were distributed as follows.

SEK in millions	Dec 31, 2023	Dec 31, 2022
Current service cost	7	10
Interest cost, paid-up policy indexation	220	72
Less interest expenses recognized as financial expenses	-9	-10
Actual return on plan assets	-177	208
Divested operations, pension obligations	-1	0
Other changes in valuation of pension obligations	-12	-6
Termination benefits	3	1
Payments from pension fund	-30	-
Change in discount rate, consolidation reserve and other assumptions	0	143
Pension expenses (+)/income (-), defined benefit pension plans	**0**	**418**
Pension premiums, defined benefit/defined contribution pension plans and other pension costs	68	77
Pension-related social charges and taxes	35	39
Less termination benefits (incl. premiums and pension-related social charges) reported as restructuring cost	-1	-1
Pension expenses (+)/income (-)	**102**	**115**
Decrease (-)/Increase (+) of surplus capital in pension fund	74	-334
Recognized pension expenses (+)/income (-)	**177**	**199**
of which pension premiums paid to the ITP pension plan	*5*	*4*

Principal actuarial assumptions
The actuarial calculation of pension obligations and pension expenses is based on principles set by PRI Pensionsgaranti and the Swedish Financial Supervisory Authority, respectively. The principal calculation assumption is the discount rate which, as a weighted average for the different pension plans and, as applicable, net of calculated yield tax, was 1.0 % in 2023 (2.5). Obligations were calculated based on the salary levels prevailing at December 31, 2023 and 2022, respectively.

Plan-asset allocation
At the end of the reporting period, plan assets were allocated as follows.

	Dec 31, 2023		Dec 31, 2022	
Asset category	**SEK in millions**	**%**	**SEK in millions**	**%**
Fixed income instruments, liquidity	1,423	47.0	1,384	48.5
Shares and other investments	1,605	53.0	1,467	51.5
Total	**3,028**	**100**	**2,851**	**100**

Future contributions and pension payments
As of December 31, 2023, the fair value of plan assets exceeded the present value of pension obligations. Unless the fair value of plan assets during 2024 should fall short of the present value of pension obligations, Telia Company has no intention to make any contribution to the pension fund.

P16. Other provisions

Changes in other provisions were as follows.

	December 31, 2023				
SEK in millions	Payroll taxes on future pension payments	Restructuring provisions	Other provisions	Insurance provisions	Total
Opening balance	**59**	**8**	**21**	**15**	**103**
Provisions for the period	-	33	43	-	**76**
Utilized provisions	-3	-24	-11	-2	**-40**
Exchange rate differences	-	-	-1	-	**-1**
Closing balance	**56**	**17**	**52**	**13**	**138**
of which non-current portion	*56*	*1*	*8*	*13*	*77*
of which current portion	-	*16*	*45*	-	*61*

Full utilization of payroll taxes on future pension payments and insurance provisions is expected in the period 2025-2056. The provisions represent the present value of management's best estimate of the amounts required to settle the liabilities. Restructuring provisions mainly refer to staff redundancy costs. The remaining provision as of December 31, 2023, is expected to be fully utilized in 2024. Other provisions include provisions for estimated expenses related to fulfilling representations made.

P17. Non-current and current borrowings

Open-market financing programs

For information on Telia Company's open-market financing programs, see Note C21.

Borrowings

Non-current and current borrowings were distributed as follows.

SEK in millions	Dec 31, 2023	Dec 31, 2022
Non-current borrowings		
Euro Medium Term Notes Program (EMTN)	57,014	52,658
Hybrid bonds	18,425	18,076
Other bilateral	1,918	1,880
Interest rate swaps	5,600	7,078
Cross-currency interest rate swaps	153	170
Total non-current borrowings (Note P20)	**83,110**	**79,861**
Current borrowings		
Euro Medium Term Notes Program (EMTN)	9,900	1,533
Hybrid bonds	-	1,127
Interest rate swaps	433	50
Cross-currency interest rate swaps	-	179
Borrowings from subsidiaries (Note P23)	27,962	27,476
of which from cash pool	*27,862*	*27,176*
of which other borrowings	*100*	*300*
Total current borrowings (Note P20)	**38,294**	**30,364**
Total borrowings	**121,404**	**110,225**

As of December 31, 2023 fully unutilized bank overdraft credit facilities had a total limit of SEK 1,054 million (1,053).

P18. Other non-current liabilities

The carrying value of other non-current liabilities were SEK 17 million (9), of which SEK 5 million (7) related to financial liabilities. For liabilities to subsidiaries, see Note P23. For the years 2023 and 2022, no other non-current liabilities fell due more than 5 years after the end of the reporting period.

P19. Current provisions, trade payables and other current liabilities

Current provisions, trade payables and other current liabilities were distributed as follows.

SEK in millions	Dec 31, 2023	Dec 31, 2022
Interest rate swaps	6	48
Currency derivatives (swaps and forwards)	209	19
Accounts payable	89	105
Liabilities to subsidiaries (Note P23)	2,090	1,491
Other current financial liabilities	2,628	668
Total financial liabilities (Note P20)	**5,022**	**2,331**
Other current liabilities and current provisions	230	137
Total current provisions, trade payables and other current liabilities	**5,251**	**2,467**

For Accounts payable and Current liabilities, the carrying value equals fair value as the impact of discounting is insignificant. For additional information on financial instruments classified by category/fair value hierarchy level and on liquidity risks, see Note P20 and section "Liquidity risk management" in Note P21.

P20. Financial assets and liabilities by category and level

Carrying value by category and fair value
The following tables present carrying values by category and fair values for financial assets and financial liabilities.

		Carrying value by category - Financial assets											
		Hedging instruments at fair value		Fair value through income statement		Fair value through OCI		Amortized cost		Total		Fair value	
SEK in millions	Note	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022
Financial assets measured at fair value													
Non-current													
Equity instruments	P11	-	-	-	18	869	551	-	-	**869**	**569**	869	569
Bonds	P11	-	-	5,018	3,496	-	-	-	-	**5,018**	**3,496**	5,018	3,496
Interest rate swaps													
- used in cash flow hedges	P11	0	33	-	-	-	-	-	-	**0**	**33**	0	33
- used in fair value hedges	P11	85	-	-	-	-	-	-	-	**85**	**-**	85	-
- not designated as hedging instruments	P11	-	-	0	3	-	-	-	-	**0**	**3**	0	3
Cross-currency interest rate swaps													
- used in cash flow hedges	P11	1,388	1,924	-	-	-	-	-	-	**1,388**	**1,924**	1,388	1,924
- not designated as hedging instruments	P11	-	-	177	69	-	-	-	-	**177**	**69**	177	69
Current													
Currency derivatives (swaps and forwards)													
- not designated as hedging instruments	P12	-	-	439	52	-	-	-	-	**439**	**52**	439	52
Interest rate swaps													
- used in fair value hedges	P12	-	28	-	-	-	-	-	-	**-**	**28**	-	28
Cross-currency interest rate swaps													
- used in cash flow hedges	P12	628	220	-	-	-	-	-	-	**628**	**220**	628	220
- not designated as hedging instruments	P12	-	-	473	12	-	-	-	-	**473**	**12**	473	12
Short-term investments	P13	-	-	6,938	1,678	-	-	-	-	**6,938**	**1,678**	6,938	1,678
Total financial assets measured at fair value		**2,101**	**2,205**	**13,045**	**5,328**	**869**	**551**	**-**	**-**	**16,016**	**8,086**		

		Carrying value by category - Financial assets											
		Hedging instruments at fair value		Fair value through income statement		Fair value through OCI		Amortized cost		Total		Fair value	
SEK in millions	Note	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022
Financial assets not measured at fair value													
Non-current													
Investments in subsidiaries	P11	-	-	-	-	-	-	87,314	90,802	**87,314**	**90,802**	-	-
Receivables from subsidiaries (Note P23)	P11	-	-	-	-	-	-	54,573	55,925	**54,573**	**55,925**	-	-
Investments in associated companies and joint operations	P11	-	-	-	-	-	-	206	56	**206**	**56**	-	-
Other non-current interest-bearing receivables and other non-current assets	P11	-	-	-	-	-	-	435	439	**435**	**439**	-	-
Current													
Accounts receivable	P12	-	-	-	-	-	-	24	62	**24**	**62**	24	62
Loans and receivables	P12	-	-	-	-	-	-	69	11	**69**	**11**	69	11
Receivables from subsidiaries	P12	-	-	-	-	-	-	24,518	23,250	**24,518**	**23,250**	24,518	23,250
Other current receivables	P12	-	-	-	-	-	-	3,673	5,147	**3,673**	**5,147**	3,673	5,147
Cash and bank	P13	-	-	-	-	-	-	9,839	5,581	**9,839**	**5,581**	9,839	5,581
Total financial assets not measured at fair value		-	-	-	-	-	-	**180,651**	**181,273**	**180,651**	**181,273**		
Total financial assets		**2,101**	**2,205**	**13,045**	**5,328**	**869**	**551**	**180,651**	**181,273**	**196,667**	**189,359**		

		Carrying value by category - Financial liabilities									
		Hedging instruments at fair value		Fair value through income statement		Amortized cost		Total		Fair value	
SEK in millions	Note	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022
Financial liabilities measured at fair value											
Non-current											
Interest rate swaps											
- used in cash flow hedges	P17	309	28	-	-	-	-	**309**	**28**	309	28
- used in fair value hedges	P17	5,292	7,050	-	-	-	-	**5,292**	**7,050**	5,292	7,050
Cross-currency interest rate swaps											
- used in cash flow hedges	P17	153	60	-	-	-	-	**153**	**60**	153	60
- not designated as hedging instruments	P17	-	-	-	110	-	-	**-**	**110**	-	110
Interest rate swaps											
- not designated as hedging instruments	P18	-	-	5	7	-	-	**5**	**7**	5	7
Current											
Interest rate swaps											
- used in cash flow hedges	P17	298	-	-	-	-	-	**298**	**-**	298	-
- used in fair value hedges	P17	134	50	-	-	-	-	**134**	**50**	134	50
Cross-currency interest rate swaps											
- used in cash flow hedges	P17	-	179	-	-	-	-	**-**	**179**	-	179
Interest rate swaps											
- not designated as hedging instruments	P19	-	-	6	48	-	-	**6**	**48**	6	48
Currency derivatives (swaps and forwards)											
- not designated as hedging instruments	P19	-	-	209	19	-	-	**209**	**19**	209	19
Total financial liabilities measured at fair value		**6,186**	**7,367**	**220**	**184**	-	-	**6,407**	**7,550**		

		Carrying value by category - Financial liabilities									
		Hedging instruments at fair value		Fair value through income statement		Amortized cost		Total		Fair value	
SEK in millions	Note	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022
Financial liabilities not measured at fair value											
Non-current											
Euro Medium Term Notes Program (EMTN)	P17	-	-	-	-	57,014	52,658	**57,014**	**52,658**	62,115	56,689
Hybrid bonds	P17	-	-	-	-	18,425	18,076	**18,425**	**18,076**	19,446	19,030
Other bilateral	P17	-	-	-	-	1,918	1,880	**1,918**	**1,880**	2,159	2,054
Current											
Euro Medium Term Notes Program (EMTN)	P17	-	-	-	-	9,900	1,533	**9,900**	**1,533**	10,055	1,547
Hybrid bonds	P17	-	-	-	-	-	1,127	**-**	**1,127**	-	1,135
Borrowings from subsidiaries (Note P23)	P17	-	-	-	-	27,962	27,476	**27,962**	**27,476**	27,962	27,476
Accounts payable	P19	-	-	-	-	89	105	**89**	**105**	89	105
Other current financial liabilities	P19	-	-	-	-	2,628	668	**2,628**	**668**	2,628	668
Liabilities to subsidiaries (Note P23)	P19	-	-	-	-	2,090	1,491	**2,090**	**1,491**	2,090	1,491
Total financial liabilities not measured at fair value		-	-	-	-	**120,026**	**105,013**	**120,026**	**105,013**		
Total financial liabilities		**6,186**	**7,367**	**220**	**184**	**120,026**	**105,013**	**126,433**	**112,563**		

Fair value hierarchy levels

The carrying fair values of financial assets and liabilities measured at fair value were distributed by fair value hierarchy level as follows.

		December 31, 2023				December 31, 2022			
			of which				of which		
SEK in millions	Note	Fair value	Level 1	Level 2	Level 3	Fair value	Level 1	Level 2	Level 3
Financial assets at fair value									
Equity instruments	P11	**869**	-	-	869	**569**	4		564
Non-current and current bonds	P11, P13	**11,956**	11,956	-	-	**5,174**	5,174	-	-
Derivatives	P11, P12	**3,191**	-	3,191	-	**2,342**	-	2,342	-
Total financial assets at fair value by level		**16,016**	**11,956**	**3,191**	**869**	**8,086**	**5,178**	**2,342**	**564**
Financial liabilities at fair value									
Derivatives	P17, P18 P19	**6,407**	-	6,407	-	7,550	-	7,550	-
Total financial liabilities at fair value by level		**6,407**	**-**	**6,407**	**-**	**7,550**	**-**	**7,550**	**-**

There were no material transfers between Level 1, 2 or 3 in 2023 or 2022.

Level 3 financial assets changed as follows.

	Dec 31, 2023	Dec 31, 2022
SEK in millions	Equity instruments	Equity instruments
Level 3, opening balance	**564**	**544**
Changes in fair value	302	-46
of which recognized in income statement	*-4*	-
of which recognized in other comprehensive income	*307*	*-46*
Purchases / share issue	15	77
Settlements	-13	-
Reclassifications	-	-10
Level 3, closing balance	**869**	**564**

The fair value change in 2023 recognized in other comprehensive income of SEK 307 million relates to revaluation of Telia Company's 9.56% holding in Marshall Group AB. The investment was revalued to an estimated fair value of SEK 427 million in the fourth quarter 2023 based on the share price of SEK 415 in the most recent larger transaction made for Marshall Group AB finalized in October 2023.

P21. Financial risk management

Principles, capital management and management of financial risks

For information relevant to Telia Company, see Note C27.

Credit risk management

Telia Company's exposure to credit risk arises from default of counterparts (including price risks as regards investments in equity instruments), with a maximum exposure equal to the carrying amount of these instruments (detailed in the respective Note and excluding receivables from subsidiaries), as follows.

SEK in millions	Note	Dec 31, 2023	Dec 31, 2022
Other financial assets excluding investments and receivables on subsidiaries and associated companies and investments in other equity instruments	P11	7,104	5,965
Derivatives, accounts receivables, loans and receivables and other current financial receivables	P12	5,306	5,533
Short-term investments, cash and cash equivalents	P13	16,777	7,259
Total		**29,187**	**18,757**

Telia Company has an internal model for credit rating of subsidiaries used when pricing internal lending to subsidiaries. For information on the model, see Note P1 and for information on credit risk management relevant to Telia Company, see Note C27.

Liquidity risk management

Liquidity risk is the risk that Telia Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. For information on liquidity risk management relevant to Telia Company, see Note C27.

As of December 31, 2023, contractual undiscounted cash flows for interest-bearing borrowings and non-interest-bearing currency derivatives (excluding intra-group derivatives) represented the following expected maturities, including instalments and estimated interest payments. The balances due within 12 months equal their carrying values as the impact of discounting is insignificant.

Expected maturity SEK in millions	Jan–Mar 2024	Apr–Jun 2024	Jul–Sep 2024	Oct–Dec 2024	2025	2026	2027	2028	Later years	Total
Open-market financing program borrowings[1]	-8,010	-237	-689	-3,516	-10,594	-9.596	-16,100	-10,221	-49,992	**-108,955**
Cross-currency interest rate swaps and interest rate swaps[2]										
Cash outflows	-10,005	-2,162	-814	-3,298	-9,207	-8,421	-4,204	-689	-2,476	**-41,276**
Cash inflows	10,064	2,085	451	3,407	8,833	8,101	4,072	332	1,168	**38,513**
Currency swaps and forward exchange contracts										
Cash outflows	-15,335	-6,795	-101	-	-	-	-	-	-	**-22,231**
Cash inflows	15,261	6,860	97	-	-	-	-	-	-	**22,218**
Total, net	**-8,025**	**-249**	**-1,056**	**-3,407**	**-10,968**	**-9,916**	**-16,232**	**-10,578**	**-51,300**	**-111,731**

1) For split into Euro Medium Term Notes program, hybrid bonds and other bilateral, see Note C27.
2) For split into cross-currency interest rate swaps and interest rate swaps, see Note C27.

Accounts payable and other current financial liabilities are expected to mature in the first quarter of 2024. Additional information on non-interest-bearing liabilities, guarantees and other contractual obligations are presented in Notes P16, P19 and P24, respectively.

P22. Operating lease agreements

Telia Company leases primarily company cars from external parties. The leases are on commercial terms with respect to prices and duration.
Future minimum leasing fees under operating lease agreements in effect as of December 31, 2023 that could not be canceled in advance and were in excess of one year were as follows.

Expected maturity SEK in millions	Jan–Mar 2024	Apr–Jun 2024	Jul–Sep 2024	Oct–Dec 2024	2025	2026	2027	2028	Later years	Total
Future minimum leasing fees	1	1	1	1	2	-	-	-	-	**5**

In 2023 total rent and leasing fees paid were SEK 3 million (3).

P23. Related party transactions

General
Conventional commercial terms apply for the supply of goods and services to and from subsidiaries, associated companies and joint ventures.

Subsidiaries
In 2023 sales to subsidiaries totaled SEK 2,006 million (1,641), while purchases from subsidiaries totaled SEK 0 million (110). For information regarding receivables from and liabilities to subsidiaries see Notes P11, P12, P17, P18 and P19.

Commitments on behalf of related parties
Telia Company has made certain commitments on behalf of group companies and joint ventures. See Note P24 for further details.

Other transactions
For descriptions of certain other transactions with related parties, see Note C29.

P24. Contingencies, other contractual obligations and litigation

Contingent assets and financial guarantees
As of the end of the reporting period, Telia Company had no contingent assets, while financial guarantees reported as contingent liabilities were distributed as follows.

SEK in millions	Dec 31, 2023	Dec 31, 2022
Guarantees on behalf of subsidiaries	24,082	24,681
Guarantees for pension obligations	41	39
Total financial guarantees	**24,123**	**24,720**

Some loan covenants agreed limit the scope for divesting or pledging certain assets. For information on change-of-control provisions included in some of Telia Company's more bond issuances, see Notes to consolidated financial statements (corresponding section in Note C30). For all financial guarantees issued, stated amounts equal the maximum potential future payments that Telia Company could be required to make under the respective guarantee. In addition to financial guarantees indicated above, guarantees for fulfilment of contractual undertakings are granted by Telia Company on behalf of subsidiaries, as part of the group's normal course of business. At the end of the reporting period, there was no indication that payment will be required in connection with any such contractual guarantee.

Collateral pledged and other unrecognized contractual obligations
As of the end of the reporting period, there were no collateral pledged and no unrecognized contractual obligations regarding future acquisitions (or equivalent) of non-current assets. For additional information see Note P10.

Legal and administrative proceedings
For additional information relevant to Telia Company, see Note C30.

P25. Cash flow information

Non-cash transactions
No non-cash transactions were performed during 2023 or 2022.

Liabilities and cash flows arising from financing activities

			Non-cash changes			
SEK in millions	Jan 1, 2023 Opening Balance	Cash flows	Foreign exchange movements	Fair value changes	Other changes[1]	Dec 31, 2023 Closing Balance
Derivative liabilities hedging non-current borrowings	**7,138**	-	80	-1,658	193	**5,753**
Other non-current borrowings	**72,723**	13,263	-197	1,879	-10,312	**77,357**
Non-current borrowings	**79,861**	**13,263**	**-116**	**222**	**-10,120**	**83,110**
Derivative liabilities hedging current borrowings	**229**	-	-176	-3	382	**433**
Other current borrowings (excluding borrowings from subsidiaries)	**2,659**	-3,253	-149	-71	10,714	**9,900**
Borrowings from subsidiaries	**27,476**	-	-	-	486	**27,962**
Current borrowings	**30,364**	**-3,253**	**-325**	**-74**	**11,581**	**38,294**
Total liabilities from financing activities	**110,225**	**10,011**	**-441**	**148**	**1,462**	**121,404**
Derivative assets hedging non-current borrowings	**-1,957**	-	478	-11	16	**-1,473**
Derivative assets hedging current borrowings	**-248**	63	-386	15	-70	**-628**
Other derivatives recognized as assets	**-5,171**	1,727	-873	3	-9	**-4,324**
Assets held to hedge borrowings[2]	**-7,376**	**1,790**	**-781**	**7**	**-64**	**-6,425**
Total liabilities from financing activities net of assets held to hedge borrowings[2]	**102,848**	**11,801**	**-1,222**	**154**	**1,398**	**114,980**

1) Other changes mainly refer to change in borrowing from subsidiaries and reclassification due to maturity from non-current to current.
2) Assets to hedge borrowings are included in cash flow from financing activities.

SEK in millions	Jan 1, 2022 Opening Balance	Cash flows	Non-cash changes: Foreign exchange movements	Non-cash changes: Fair value changes	Non-cash changes: Other changes[1]	Dec 31, 2022 Closing Balance
Derivative liabilities hedging non-current borrowings	**1,533**	-	-534	6,059	80	**7,138**
Other non-current borrowings	**76,704**	3,561	4,609	-6,871	-5,280	**72,723**
Non-current borrowings	**78,237**	**3,561**	**4,075**	**-811**	**-5,200**	**79,861**
Derivative liabilities hedging current borrowings	**200**	-31	57	27	-24	**229**
Other current borrowings (excluding borrowings from subsidiaries)	**6,116**	-9,350	-1,179	-39	7,112	**2,659**
Borrowings from subsidiaries	**27,433**	-	-	-	43	**27,476**
Current borrowings	**33,749**	**-9,382**	**-1,122**	**-12**	**7,131**	**30,364**
Total liabilities from financing activities	**111,985**	**-5,821**	**2,952**	**-823**	**1,931**	**110,225**
Derivative assets hedging non-current borrowings	**-973**	-	-1,381	292	104	**-1,957**
Derivative assets hedging current borrowings	**-56**	57	-230	6	-26	**-248**
Other derivatives recognized as assets	**-682**	-4,596	214	35	-142	**-5,171**
Assets held to hedge borrowings[2]	**-1,710**	**-4,540**	**-1,397**	**333**	**-63**	**-7,376**
Total liabilities from financing activities net of assets held to hedge borrowings[2]	**110,275**	**-10,360**	**1,556**	**-490**	**1,868**	**102,848**

1) Other changes mainly refer to change in borrowing from subsidiaries and reclassification due to maturity from non-current to current.
2) Assets to hedge borrowings are included in cash flow from financing activities.

P26. Human resources

The number of employees was 240 at December 31, 2023 (264). The average number of full-time employees was as follows.

	Jan–Dec 2023		Jan–Dec 2022	
Country	**Total (number)**	**of whom men (%)**	**Total (number)**	**of whom men (%)**
Sweden	250	49	271	48
Total	**250**	**49**	**271**	**48**

The share of female and male Corporate Officers was as follows. Corporate Officers include all members of the Board of Directors, the President and the 6 other members (7) of Group Executive Management employed by the parent company.

	Dec 31, 2023		Dec 31, 2022	
%	**Board of Directors**	**Other Corporate Officers**	**Board of Directors**	**Other Corporate Officers**
Women	33.3	28.6	33.3	37.5
Men	66.7	71.4	66.7	62.5
Total	**100**	**100**	**100**	**100**

Total salaries and other remuneration, along with social security expenses and other personel expenses were as follows.

SEK in millions	**Jan–Dec 2023**	**Jan–Dec 2022**
Salaries and other remuneration	**450**	**380**
of which performance share programs	*5*	*5*
Social security expenses		
Employer's social security contributions	141	122
of which performance share programs	*1*	*1*
Pension expenses	180	200
Total social security expenses	**321**	**322**
Other personnel expenses	39	40
Total personnel expenses	**811**	**741**

Salaries and other remuneration were divided between Corporate Officers and other employees as follows.

	Dec 31, 2023		Dec 31, 2022	
SEK in millions	Corporate Officers (of which variable pay)	Other employees	Corporate Officers (of which variable pay)	Other employees
Salaries and other remuneration	65 (-)	385	68 (-)	312

Corporate Officers include members of the Board of Directors and, as applicable, former Board members (but exclude employee representatives); the President and, as applicable, former Presidents and Executive Vice Presidents; and the 6 other members (7) of Group Executive Management employed by the parent company. Pension expenses and outstanding pension commitments for Corporate Officers were as follows. There are no pension benefit arrangements for external members of the Board of Directors.

	January–December or December 31,	
SEK in millions	2023	2022
Pension expenses	4	19
Outstanding pension commitments	126	124

For additional information, see sections "Performance share programs" and "Remuneration to corporate officers" in Note C32.

P27. Remuneration to audit firms

Remuneration to the elected audit firm was as follows. See additional information in Note C33.

SEK in millions	Jan–Dec 2023	Jan–Dec 2022
Deloitte		
Audit	9	9
Audit-related services	-	1
Tax services	1	0
All other services	-	-
Total	**9**	**10**

Board of Directors' and President's certification

The Board of Directors and the President and CEO certify that the consolidated financial statements have been prepared in accordance with IFRSs as adopted by the EU and give a true and fair view of the Group's financial position and results of operations. The financial statements of the Parent Company have been prepared in accordance with generally accepted accounting principles in Sweden and give a true and fair view of the Parent Company's financial position and results of operations.

The Board of Directors' Report for the Group and the Parent Company provides a fair review of the development of the Group's and the Parent Company's operations, financial position and results of operations and describes material risks and uncertainties facing the Parent Company and the companies included in the Group.

Stockholm, March 13, 2024

Lars-Johan Jarnheimer
Chair of the Board

Ingrid Bonde
Vice-Chair of the Board

Johannes Ametsreiter
Board member

Stefan Carlsson
Board member,
employee representative

Luisa Delgado
Board member

Sarah Eccleston
Board member

Tomas Eliasson
Board member

Rickard Gustafson
Board member

Jeanette Jäger
Board member

Jimmy Maymann
Board member

Martin Sääf
Board member,
employee representative

Rickard Wäst
Board member,
employee representative

Patrik Hofbauer
President and CEO

Our auditors' report was rendered on March 13, 2024

Deloitte AB

Peter Ekberg
Authorized Public Accountant

Auditors' Report

To the general meeting of the shareholders of Telia Company AB (publ) corporate identity number 556103-4249

Report on the annual accounts and consolidated accounts

Opinions
We have audited the annual accounts and consolidated accounts of Telia Company AB (publ) for the financial year 2023-01-01 - 2023-12-31 except for the corporate governance statement on pages 52-71 and the statutory sustainability report on pages 72-135. The annual accounts and consolidated accounts of the company are included in pages 22-155 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover corporate governance statement on pages 52-71 or the statutory sustainability report on pages 72-135. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions
We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

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

Key Audit Matters
Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Revenue recognition

Risk description
There is an inherent risk around the accuracy of revenue recorded given the complexity of the systems generating the revenue, the impact of changing pricing models to revenue recognition (tariff structures, incentive arrangements, discounts etc.) and different revenue streams.

Telia Company's revenues comprise several revenue streams such as mobile service revenues, fixed service revenues, advertising revenues and equipment revenues. Telia Company may bundle services and products into one customer offering. Offerings may involve the delivery or performance of multiple products, services, or rights to use assets and as such revenue recognition requires significant judgements and estimates on behalf of management as to when, and to which amount revenues are recognized.

For further information, refer to notes C1 "Basis of preparation", C3 "Material accounting policies", C6 "Revenue" and Not C18 "Trade and other current receivables and assets" of the consolidated accounts.

Audit procedures
Our audit procedures included, but were not limited to:
- assessing the application of the group's accounting policies with respect to delivery of services, products and advertising and the accounting implications of new business models and revenue streams to verify that group accounting policies for these models were appropriate ;
- evaluating the design and testing of relevant internal controls used for revenue recognition;
- with the support of our information technology specialists testing the IT environment in which billing, rating and other relevant activities occur, including the change control procedures in place in the IT-systems for material revenue streams;
- analytical and detailed substantive procedures on a sample basis for a selection of recognized revenue; and
- evaluating the adequacy of disclosures related to the various revenue streams.

Carrying value of goodwill and other non-current assets

Risk description
Telia Company's carrying values of goodwill and other non-current assets including film and program rights represent a significant part of Telia Company´s total assets. Telia Company is required to test goodwill assets for impairment at least annually and all assets whenever events or circumstances indicate that the carrying value of an asset may not be recoverable. The determination of recoverable amount, being the higher of fair value less costs of disposal and value in use, requires judgements and assessments on the part of management in both identifying and then valuing the relevant cash

generating units ("CGU's"). Management normally determines recoverable amounts based on value in use. Calculations of value in use are based on management's view of variables such as sales growth, EBITDA margin development, weighted average cost of capital ("WACC"), CAPEX-to-sales ratio and terminal growth rate.

For further information, refer to notes C2 "Judgments and key sources of estimation uncertainty", C12 "Goodwill and other intangible assets", C13 "Property, Plant and Equipment" and C14 "Film and program rights" of the consolidated accounts.

Audit procedures
Our audit procedures included, but were not limited to:

- evaluating the appropriateness of management's identification of the Group's CGU's;
- with the support of our valuation specialists, benchmarking and challenging key assumptions in management's valuation models used to determine recoverable amount, including assumptions of sales growth, EBITDA margin, WACC, CAPEX-to-sales ratio, and terminal growth rate;
- comparing historical forecasting to actual results;
- testing mathematical accuracy of the cash flow models and challenging and agreeing key assumptions to the long-term business plans approved by the Board of Directors;
- evaluating the adequacy of disclosures related to those assumptions and CGU's to which the outcome of the impairment tests are most sensitive; and
- evaluating the accounting principles and process for impairment tests for other non-current assets and film and program rights.

Other information than the annual accounts and consolidated accounts
The Board of Directors and the Managing Director are responsible for other information. The other information includes the Remuneration Report and the pages 1-21 and 261-270 in this document but does not include the Annual accounts and the consolidated accounts or our Auditors Report.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director
The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility
Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisorn-sansvar. This description is part of the auditor's report.

Report on other legal and regulatory requirements

Opinions
In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Telia Company (publ) for the financial year 2023-01-01 - 2023-12-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit to be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions
We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Managing Director
The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility
Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

The auditor's examination of the Esef report

Opinion
In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Telia Company AB (publ) for the financial year 2023-01-01 – 2023-12-31.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion
We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Telia Company AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Managing Director
The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.
RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally

accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The firm applies International Standards on Quality Management, 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.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHMTL format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked within iXBRL in accordance with what follows from the Esef regulation.

Auditor's examination of the corporate governance report

The Board of Directors is responsible for that the corporate governance statement on pages 53-72 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevU 16 The auditor´s examination of the corporate governance statement. This means that our examination of the corporate governance statement 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. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

The auditor's opinion regarding the statutory sustainability report

The Board of Directors is responsible for the statutory sustainability report on pages 72-135, and that it is prepared in accordance with the Annual Accounts Act.

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 different and substantially 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.

A statutory sustainability report has been prepared.

Deloitte AB was appointed auditor of Telia Company by the general meeting of shareholders on the 2023-04-05 and has been the company's auditors since 2015-04-02.

Stockholm March 13th 2024
Deloitte AB

Peter Ekberg
Authorized Public Accountant

Auditor's Limited Assurance Report

on Telia Company ABs (publ) Sustainability Report

This is the translation of the auditor's report in Swedish.

To Telia Company AB (publ), corporate identity number 556103-4249

Introduction
We have been engaged by the Management of Telia Company AB (publ) to undertake a limited assurance engagement of the Telia Company AB Sustainability Report for the year 2023. The Company has defined the scope of the Sustainability Report on page 72-135 in this report.

Responsibilities of the Board of Directors and the Executive Management for the Sustainability Report
The Board of Directors and the Executive Management are responsible for the preparation of the Sustainability Report in accordance with the applicable criteria, as explained on page 108 in the Annual and Sustainability Report, and in the Telia Company Sustainability Reporting Framework 2023, available at https://www.teliacompany.com/en/category, the accounting and calculation principles that the Company has developed. This responsibility also includes the internal control relevant to the preparation of a Sustainability 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 Sustainability Report based on the limited assurance procedures we have performed. Our engagement is limited to historical information presented and does therefore 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 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 Telia Company AB (publ) 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 Board of Directors and the Executive Management as described above. We consider these criteria suitable for the preparation of the Sustainability Report.

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 Sustainability Report, is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Executive Management.

Stockholm 13 March 2024

Deloitte AB

Signatures on Swedish original

Peter Ekberg
Authorized Public Accountant

Lennart Nordqvist
Expert Member of FAR

Five-year summary

Telia Company group Financial data	2023[1]	2022[2]	2021[2,4]	2020[3]	2019[4,9]
Income statement (SEK in millions)					
Revenue	**88,785**	**85,580**	**83,193**	**89,191**	**85,965**
Operating income	4,980	-9,214	15,195	-17,850	12,293
Adjusted EBITDA	30,254	28,954	28,670	30,482	31,017
EBITDA	28,392	28,131	34,125	29,974	30,017
Net income from continuing operations	6	-13,910	11,595	-22,558	7,601
Net income from discontinued operations	891	-255	241	-279	-341
Total net income	897	-14,165	11,836	-22,837	7,261
Financial position (SEK in millions)					
Non-current assets	172,878	185,090	194,879	189,088	224,088
Current assets	53,590	37,703	42,146	37,014	39,984
Total assets	**226,468**	**222,793**	**237,025**	**226,103**	**264,072**
Total equity	56,994	67,673	83,544	63,496	92,455
of which attributable to owners of the parent	*53,468*	*64,239*	*80,731*	*62,378*	*91,047*
Non-current liabilities	115,317	112,379	110,736	122,505	121,330
Current liabilities	54,158	42,741	42,746	40,101	50,287
Total equity and liabilities	**226,468**	**222,793**	**237,025**	**226,103**	**264,072**
Net debt, continuing and discontinued operations	73,758	71,397	63,133	78,343	88,052
Cash flow (SEK in millions)[5]					
Cash flow from operating activities	24,671	24,001	27,376	28,604	27,594
Cash flow from investing activities	-22,058	-9,936	-10,908	-3,247	-30,543
Cash flow from financing activities	2,653	-21,779	-10,600	-23,098	-14,712
Cash flow for the year	**5,266**	**-7,714**	**5,868**	**2,259**	**-17,661**
Free cash flow	9,204	8,094	11,729	15,114	12,369
of which from discontinued operations	*631*	*761*	*681*	*17*	*-2,047*

Telia Company group Financial data	2023[1]	2022[2]	2021[2,4]	2020[3]	2019[4,9]
Investments (SEK in millions)[6]					
CAPEX	20,662	19,789	21,143	18,137	16,076
Acquisitions and other investments	1,719	305	513	641	13,140
Total investments	**22,381**	**20,095**	**21,655**	**18,778**	**29,214**
Key ratios[7]					
Return on equity (%)	0.6	neg.	18.5	neg.	8.4
Return on capital employed (%)	5.2	neg.	9.1	neg.	6.6
Equity/assets ratio (%)	21,7	26.8	31.7	24.5	31.3
Net debt/Adjusted EBITDA	2.32	2.35	2.14	2.57	2.82
Owners' equity per share (SEK)	13.6	16.3	19.7	15.4	22.1
Share data					
Number of outstanding shares (millions)					
– at the end of the period	3,932.1	3,932.1	4,089.6	4,089.6	4,112.7
– average, basic and diluted	3,932,1	4,035.3	4,089.6	4,090.4	4,172.4
Basic and diluted total earnings per share (SEK)[8]	0,08	-3.63	2.86	-5.62	1.70
Cash dividend per share (SEK)[8]	2.00	2.00	2.05	2.00	2.45
Total cash dividend (SEK in millions)[8]	7,864	7,864	8,384	8,179	10,020

1) As of September 15, 2023 the segment Denmark is classified as discontinued operations (income statement, and cash flow) and held for sale (financial position).
2) The segment Denmark classified as discontinued operations (income statement and cash flow).
3) The segment Eurasia classified as discontinued operations (income statement and cash flow) and held for sale (financial position). Telia Carrier classified as held for sale (financial position).
4) The segment Eurasia classified as discontinued operations (income statement and cash flow) and held for sale (financial position).
5) Cash flow information is presented for total Telia Company group, i.e. including both continuing and discontinued operations, if not otherwise stated.
6) Investments are presented for continuing operations only.
7) Key ratios are based on total Telia Company group, i.e. including both continuing and discontinued operations.
8) For 2023, dividend as proposed by the Board of Directors.
9) Only 2020 has been restated for changes in accounting principles related to Cloud computing costs, implemented in 2021.

Five-year summary, cont.

Telia Company group Operational data	2023	2022[4]	2021[4]	2020	2019
Mobile services					
Total subscriptions (thousands)	**18,554**	**17,700**	**16,155**	**16,968**	**16,741**
of which Sweden					
Mobile telephony, total subscriptions (thousands)	8,769	7,935	6,728	6,246	6,132
Mobile telephony, blended churn (%)	15	17	21	17	18
Mobile telephony, ARPU (SEK)	227	224	218	215	214
of which Finland					
Mobile telephony, subscriptions (thousands)	3,092	3,151	3,124	3,165	3,184
Mobile telephony, blended churn (%)	20	25	27	22	24
Mobile telephony, ARPU (EUR)	18,0	17,4	17,4	18,5	18,4
of which Norway					
Mobile telephony, subscriptions (thousands)	2,340	2,379	2,289	2,247	2,276
Mobile telephony, blended churn (%)	22	21	19	24	27
Mobile telephony, ARPU (NOK)	277	269	259	253	253
of which other countries					
Mobile telephony, subscriptions, Lithuania (thousands)	1,643	1,604	1,518	1,398	1,347
Mobile telephony, subscriptions, Latvia (thousands)	1,445	1,399	1,347	1,307	1,299
Mobile telephony, subscriptions, Estonia (thousands)[1]	1,266	1,233	1,149	1,112	1,068
Mobile telephony, subscriptions, Denmark (thousands)	-	-	-	1,493	1,435
Fixed services					
Broadband, total subscriptions (thousands)	**3,183**	**3,174**	**3,114**	**2,900**	**2,925**
of which					
Broadband, subscriptions, Sweden (thousands)	1,377	1,375	1,340	1,242	1,263
Broadband, subscriptions, Finland (thousands)	609	596	584	462	473

Telia Company group Operational data	2023	2022[4]	2021[4]	2020	2019
Broadband, subscriptions, Norway (thousands)	499	500	490	469	445
Broadband, subscriptions, Lithuania (thousands)	426	427	421	417	419
Broadband, subscriptions, Estonia (thousands)	273	276	280	242	244
Broadband, subscriptions, Denmark (thousands)	-	-	-	68	81
Fixed telephony, total subscriptions (thousands)[2]	668	850	1,015	1,247	1,503
of which					
Fixed telephony, subscriptions, Sweden (thousands)	313	431	541	665	853
Fixed telephony, subscriptions, Finland (thousands)	12	14	17	20	23
Fixed telephony, subscriptions, Norway (thousands)	14	38	47	40	49
Fixed telephony, subscriptions, Lithuania (thousands)	155	175	201	230	261
Fixed telephony, subscriptions, Estonia (thousands)	174	192	209	226	245
Fixed telephony, subscriptions, Denmark (thousands)	-	-	-	66	72
TV, total subscriptions (thousands)	3,430	3,377	3,280	3,235	3,071
of which					
TV, subscriptions, Sweden (thousands)	1,034	972	915	929	861
TV, subscriptions, Finland (thousands)[3]	664	678	646	558	600
TV, subscriptions, Norway (thousands)	474	485	486	469	480
TV, subscriptions, Lithuania (thousands)	261	257	255	253	244
TV, subscriptions, Estonia (thousands)	194	200	207	208	212
TV, subscriptions, TV and Media (thousands)[3]	802	785	771	789	653
TV, subscriptions Denmark (thousands)	-	-	-	29	21

1) Mobile telephony, subscriptions, Estonia 2021 have been restated for comparability. The restatement also impacts total subscriptions.
2) Fixed telephony subscriptions include PSTN and VoIP.
3) TV, subscriptions, Finland and TV and Media 2021 have been restated as a result of a reorganization.
4) Restated for comparability.

Five-year summary, cont.

Telia Company group Operational data	2023	2022	2021	2020	2019
Human Resources[1]					
Number of employees as of December 31	18,644	19,237	19,566	20,741	21,232
Average number of full-time employees during the year	18,963	19,202	19,998	20,505	20,215
of whom, in Sweden	*6,996*	*7,144*	*7,550*	*7,654*	*7,337*
of whom, in Finland	*3,837*	*3,851*	*4,244*	*4,144*	*3,890*
of whom, in other countries	*8,130*	*8,207*	*8,204*	*8,707*	*8,988*
of whom, women	*6,923*	*7,143*	*7,359*	*7,607*	*7,581*
of whom, men	*12,040*	*12,059*	*12,639*	*12,898*	*12,634*
Salaries and remuneration (SEK in millions)	13,357	11,897	12,018	12,077	11,034
Employer's social security contributions (SEK in millions)	2,478	2,203	2,270	2,291	2,080
Salaries and employer's social security contributions as a percentage of operating costs	17,9	14.1	19.6	16.5	17.3
Revenue per employee (SEK in thousands)	4,981	4,730	4,418	4,354	4,282
Operating income per employee (SEK in thousands)	317	neg.	770	neg.	594
Net income per employee (SEK in thousands)	47	neg.	592	neg.	359

1) Human resource data is based on total Telia Company group, i.e including both continuing and discontinued operations (when applicable).

Alternative performance measures

Alternative performance measures
In addition to financial performance measures prepared in accordance with IFRS, Telia Company presents non-IFRS financial performance measures. These alternative measures are considered to be important performance indicators for investors and other users of the Annual report. The alternative performance measures should be considered as a complement to, but not a substitute for, the information prepared in accordance with IFRS. Telia Company's definitions of these non-IFRS measures are described here and in the Definitions. These terms may be defined differently by other companies and are therefore not always comparable to similar measures used by other companies.

Service revenue
Service revenue like for like excludes exchange rate effects and is based on the current group structure, i.e. including the impact of any acquired operations and excluding the impact of any disposed operations, both in the current and in the comparable period, and was part of Telia Company's Outlook for 2023.

SEK in millions	Jan–Dec 2023	Jan–Dec 2022
Revenue	88,785	85,580
Excluded: Equipment revenue	-12,872	-12,533
Service revenue (external)	**75,912**	**73,047**
Excluded: Effects from changes in foreign exchange rates[1]	-1,363	-
Excluded: Effects from acquired and disposed operations	-63	-54
Service revenue on a like-for-like basis	**74,486**	**72,993**
Change (%) like for like	*2.0*	
of which Telco operations	*66,273*	*64,167*
Change (%) like for like, Telco operations	*3.3*	
of which TV and Media	*8,213*	*8,826*

1) Changes in foreign exchange rates refers to full year average rates prior year.

EBITDA and Adjusted EBITDA
Telia Company considers EBITDA as a relevant measure for investors to be able to understand profit generation before investments in tangible, intangible and right-of-use assets.

To assist the understanding of Telia Company's underlying financial performance we believe it is also useful to analyze Adjusted EBITDA. Adjustment items within EBITDA are specified in Board of Director's Report, section "Adjustment items". Adjusted EBITDA like for like excludes exchange rate effects and is based on the current group structure, i.e. including the impact of any acquired operations and excluding the impact of any disposed operations, both in the current and in the comparable period and was part of Telia Company's Outlook for 2023.

SEK in millions	Jan–Dec 2023	Jan–Dec 2022
EBITDA	**28,392**	**28,131**
Adjustment items within EBITDA	1,861	824
Adjusted EBITDA	**30,254**	**28,954**
Excluded: Effects from changes in foreign exchange rates[1]	-329	-
Excluded: Effects from acquired and disposed operations	55	-5
Adjusted EBITDA on a like-for-like basis	**29,979**	**28,949**
Change (%) like for like	*3.6*	
of which Telco operations	*30,200*	*28,672*
Change (%) like for like, Telco operations	*5.3*	
of which TV and Media	*-221*	*276*
Excluded: Impact from energy cost changes[2]	-121	-
Adjusted EBITDA on a like-for-like basis excluding impact from energy cost changes[2]	**29,858**	**28,949**

1) Changes in foreign exchange rates refers to full year average rates prior year. 2) Energy costs changes 2023 compared to 2022.

Adjusted operating income

Telia Company considers Adjusted operating income as a relevant measure to be able to understand the underlying financial performance of Telia Company. Adjustment items within operating income, continuing operations are specified in the Board of Director's Report, section "Adjustment items."

SEK in millions	Jan–Dec 2023	Jan–Dec 2022
Operating income	**4,980**	**-9,214**
Adjustment items within operating income	5,882	20,062
Adjusted operating income	**10,862**	**10,847**

CAPEX and Cash CAPEX and Cash CAPEX to Revenue

Telia Company considers CAPEX and Cash CAPEX measures below as relevant measures to understand the group's investments in intangible, tangible and right-of-use assets (excluding goodwill, assets acquired in business combinations and asset retirement obligations). CAPEX, excluding fees for license and spectrum and right-of-use assets, was part of Telia Company's Outlook for 2023.

SEK in millions	Jan–Dec 2023	Jan–Dec 2022
Investments in intangible assets	4,682	3,810
Investments in property, plant and equipment	10,520	11,867
CAPEX excluding right-of-use assets	**15,202**	**15,677**
Investments in right-of-use assets	5,460	4,112
CAPEX	**20,662**	**19,789**
Excluded: investments in license and spectrum fees and right-of-use assets	-7,033	-4,522
CAPEX excluding fees for licenses and spectrum and right-of-use assets	**13,628**	**15,266**

SEK in millions	Jan–Dec 2023	Jan–Dec 2022
CAPEX	**20,662**	**19,789**
Excluded: investments in right-of-use assets	-5,460	-4,112
Net of not paid investments and additional payments from previous periods	-536	-531
Cash CAPEX	**14,666**	**15,146**
Excluded: Cash CAPEX for licenses and spectrum fees	-1,039	-449
Cash CAPEX, excluding fees for license and spectrum	**13,627**	**14,697**
Revenue	**88,785**	**85,580**
Cash CAPEX, excluding fees for licenses and spectrum in relation to Revenue (%)	**15.3**	**17.2**

Free cash flow (continuing and discontinued operations)

Telia Company considers free cash flow as a relevant measure to be able to understand the group's cash flow from operating activities and after CAPEX.

SEK in millions	Jan–Dec 2023	Jan–Dec 2022
Cash flow from operating activities	24,671	24,001
Cash CAPEX (paid intangible and tangible assets)	-15,466	-15,908
Free cash flow, continuing and discontinued operations	**9,204**	**8,094**

Operational free cash flow and Structural part of Operational free cash flow (continuing operations)

Telia Company considers Operational free cash flow as a relevant measure to be able to understand the cash flows that Telia Company is in control of. From the reported free cash flow from continuing operations dividends from associated companies are deducted as these are dependent on the approval of boards and the AGMs of the associated companies. Licenses and spectrum payments are excluded as they generally refer to a longer period than just one year. Telia Company consider the structural part of Operational free cash flow to be Operational free cash flow less contribution from change in working capital and the measure was part of Telia Company's Outlook for 2023.

SEK in millions	Jan–Dec 2023	Jan–Dec 2022
Cash flow from operating activities from continuing operations	23,239	22,478
Cash CAPEX from continuing operations	-14,666	-15,146
Free cash flow, continuing operations	**8,573**	**7,333**
Excluded: Cash CAPEX for licenses and spectrum fees from continuing operations	1,039	449
Excluded: Dividends from associates from continuing operations	-134	-136
Repayments of lease liabilities	-2,822	-2,522
Operational free cash flow	**6,656**	**5,124**
Excluded: Changes in working capital	598	968
Structural part of Operational free cash flow	**7,254**	**6,092**

Net debt

Telia Company considers Net debt to be an important measure to be able to understand the group's indebtedness.

SEK in millions	Dec 31, 2023	Dec 31, 2022
Non-current borrowings	99,589	94,555
of which lease liabilities, non-current	*15,264*	*13,971*
Less 50% of hybrid capital[1]	-9,418	-9,962
Current borrowings	14,286	7,007
of which lease liabilities, current	*3,372*	*3,261*
Less derivatives recognized as financial assets and hedging Non-current and current borrowings and related credit support annex (CSA)	-6,424	-7,373
Less non-current bonds at fair value through income statement and OCI	-5,416	-3,698
Less short-term investments	-7,095	-2,261
Less cash and cash equivalents	-11,764	-6,871
Net debt	**73,758**	**71,397**

1) 50% of hybrid capital is treated as equity, consistent with market practice for the type of instrument, and reduces net debt.

Derivatives recognized as financial assets and hedging non-current and current borrowings and related credit support annex (CSA) are part of the balance sheet line items Non-current interest-bearing receivables and Current interest-bearing receivables. Hybrid capital, calculated as nominal amount, is part of the balance sheet line item Non-current borrowings. Non-current bonds at fair value through OCI are part of the balance sheet line item Non-current interest-bearing receivables. Short-term investments are part of the balance sheet line item Current interest-bearing receivables.

Net debt/Adjusted EBITDA ratio (continuing and discontinued operations)

Telia Company considers net debt in relation to adjusted EBITDA as a relevant measure to be able to understand the group's financial position.

SEK in millions, except for multiple	Dec 31, 2023	Dec 31, 2022
Net debt	**73,758**	**71,397**
Adjusted EBITDA continuing operations	30,254	28,954
Adjusted EBITDA discontinued operations	1,473	1,374
Adjusted EBITDA	**31,727**	**30,328**
Net debt/Adjusted EBITDA ratio (multiple)	**2.32x**	**2.35x**

Adjusted EBITDA margin

Telia Company considers Adjusted EBITDA in relation to revenue as a relevant measure to be able to understand the group's profit generation and to be used as a comparative benchmark.

SEK in millions	Jan–Dec 2023	Jan–Dec 2022
Revenue	88,785	85,580
Adjusted EBITDA	30,254	28,954
Adjusted EBITDA margin (%)	**34.1**	**33.8**

Definitions

Concepts and key ratios

Acquisitions and other investments
Investments in goodwill, intangible and tangible non-current assets and right-of-use assets acquired in business combinations, shares and participations, and asset retirement obligations.

Adjusted EBITDA
EBITDA adjusted for adjustment items within EBITDA.

Adjusted EBITDA margin
Adjusted EBITDA as a percentage of revenue.

Adjusted equity
Reported equity attributable to owners of the parent less the (proposed) dividend. For the parent company also including untaxed reserves net of tax.

Adjusted operating income
Operating income adjusted for adjustment items within operating income.

Adjustment items
Comprise of capital gains and losses, impairment losses, restructuring programs (costs for phasing out operations and personnel redundancy costs and costs for major group wide business transformations) or other costs with the character of not being part of normal daily operations.

Advertising revenue
External revenue related to linear and digital/ Advertising Video on Demand (AVoD) media, sponsorships and other types of advertising.

ARPU
Average monthly revenue per user.

Blended churn
The number of lost subscriptions (postpaid and prepaid) expressed as a percentage of the average number of subscriptions (postpaid and prepaid).

Broadband revenue
External revenue related to fixed broadband services.

Business solutions revenue
External revenue related to fixed business networking and communication solutions.

CAPEX
An abbreviation of "Capital Expenditure". Investments in intangible and tangible non-current assets and right-of-use assets, but excluding goodwill, intangible and tangible non-current assets and right-of-use assets acquired in business combinations, film and program rights and asset retirement obligations.

CAPEX excluding license and spectrum fees
CAPEX deducted by license and spectrum fees.

CAPEX excluding right-of-use assets
CAPEX excluding right-of-use assets.

Capital employed
Total assets less non-interest-bearing liabilities and non-interest-bearing provisions, and (proposed) dividend.

Cash CAPEX
CAPEX with addition/deduction of net of paid investments and additional payments from previous periods.

Core Telco business
Total Group less the TV and Media segment.

Earnings and equity per share
Earnings per share are based on the weighted average number of shares before and after dilution with potential ordinary shares, while equity per share is based on the number of shares at the end of the period. Earnings equal net income attributable to owners of the parent and equity is equity attributable to owners of the parent.

EBITDA
An abbreviation of "Earnings before Interest, Tax, Depreciation and Amortization." Equals operating income before depreciation, amortization and impairment losses and before income from associated companies and joint ventures but including amortization and impairment of film and program rights.

EBITDA margin
EBITDA expressed as a percentage of revenue.

Employees
Total headcount excluding hourly paid employees.

Equipment revenue
External equipment revenue.

Equity/assets ratio
Adjusted equity and equity attributable to non-controlling interests expressed as a percentage of total assets.

Free cash flow
The total cash flow from operating activities and cash CAPEX.

Internal revenue
Group internal revenue.

Like for like (%)
The change in revenue, external service revenue and adjusted EBITDA, excluding exchange rate effects and based on the current group structure, i.e. including the impact of any acquired operations and excluding the impact of any disposed operations, both in the current and in the comparable period.

Mobile end user revenue
External revenue related to voice, messaging, data, value added services and content (including machine-to-machine).

Mobile Interconnect
External revenue related to mobile termination.

Net debt
Interest-bearing liabilities less derivatives recognized as financial assets (and hedging non-current and current borrowings) and related credit support annex (CSA), less 50% of hybrid capital calculated as 50% of nominal amount (which, consistent with market practice for the type of instrument, is treated as equity), less short-term investments, non-current bonds at fair value through income statement and OCI and cash/cash equivalents.

Net debt/adjusted EBITDA ratio (leverage)
Net debt divided by adjusted EBITDA rolling 12 months and excluding disposed operations.

OCI
An abbreviation of "Other Comprehensive Income".

Operating capital
Non-interest-bearing assets less non-interest-bearing liabilities, including (proposed) dividend, and non-interest-bearing provisions.

Operational free cash flow
Free cash flow from continuing operations excluding cash CAPEX for licenses and spectrum fees, dividends from associated companies net of taxes and including repayment of lease liabilities.

Other fixed service revenue
External revenue of fixed services including fiber installation, wholesale and other infrastructure services.

Other mobile service revenue
External revenue related to visitors' roaming, wholesale and other services.

Return on capital employed
Operating income, including impairments and gains/losses on disposals, plus financial revenue excluding foreign exchange gains expressed as a percentage of average capital employed.

Return on equity
Net income attributable to owners of the parent expressed as a percentage of average adjusted equity.

Segment assets and liabilities (Segment operating capital)
As Operating capital, but assets and liabilities excluding items related to foreign currency derivatives and accrued interest as well as to deferred and current tax, respectively, and liabilities excluding (proposed) dividend.

Service revenue
External revenue excluding equipment sales.

Structural part of Operational free cash flow
Operational free cash flow less contribution from change in working capital.

Telephony revenue
External revenue related to fixed telephony services.

TV revenue
External revenue related to TV services.

Total shareholder return
Share price development during the year and dividend, in relation to shareprice at the beginning of the year expressed as a percentage.

Notation conventions

In conformity with international standards, this report applies the following currency notations:

SEK	Swedish krona	JPY	Japanese yen
DKK	Danish krone	NOK	Norwegian krone
EUR	European euro	USD	US dollar
GBP	Pound sterling	AUD	Australian dollar

Annual General Meeting 2024

Telia Company's Annual General Meeting will be held on Wednesday, April 10, 2024, at 2 p.m. CEST at Telia Company's Head Office, Stjärntorget 1 in Solna, Sweden. The complete notice was published on Telia Company's website, **www.teliacompany.com**, in the beginning of March 2024. As a service to the shareholders, simultaneous interpretation from Swedish to English as well as from English to Swedish will be provided at the Annual General Meeting.

Participation

Shareholders who wish to participate in the Annual General Meeting must be recorded as a shareholder in the presentation of the share register prepared by the Swedish Central Securities Depository, Euroclear Sweden AB, concerning the circumstances on Tuesday, April 2, 2024, and give notice of participation no later than Thursday, April 4, 2024.

Participation at the meeting venue

Shareholders who wish to attend the meeting venue in person or by proxy must give notice of participation no later than Thursday, April 4, 2024, on Euroclear Sweden AB's website **https://anmalan.vpc.se/euroclearproxy**, by telephone +46 (0)8 402 90 50, or by post to Telia Company AB, "AGM 2024", c/o Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, Sweden. Shareholders shall in their notice to participate state their name, personal identification number or company registration number, address, telephone number and advisors, if applicable. Shareholders represented by a proxy or a representative should send documents of authorization to the address above well in advance of the Annual General Meeting. A template proxy form is available on Telia Company's website **www.teliacompany.com**.

Participation by postal voting

Shareholders who wish to participate in the Annual General Meeting by postal voting in advance must give notice of participation by casting their postal vote so that the postal vote is received by Euroclear Sweden AB (administering the forms on behalf of Telia Company) no later than Thursday, April 4, 2024. A special form shall be used for postal voting. The postal voting form is available on Telia Company's website **www.teliacompany.com**. The postal voting form can be submitted either by e-mail to **GeneralMeetingService@euroclear.com**, or by post to Telia Company AB, "AGM 2024", c/o Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, Sweden. Shareholders may also cast their postal votes electronically through BankID verification via Euroclear Sweden AB's website **https://anmalan.vpc.se/euroclearproxy**. If the shareholder postal votes by proxy, a power of attorney shall be enclosed to the postal form. A template proxy form is available on Telia Company's website **www.teliacompany.com**. If the shareholder is a legal entity, a certificate of incorporation or a corresponding document shall be enclosed to the postal voting form. Further instructions are included in the postal voting form and on Euroclear Sweden AB's website **https://anmalan.vpc.se/euroclearproxy**.

Shareholding in the name of a nominee

To be entitled to participate in the Annual General Meeting, shareholders whose shares are registered in the name of a nominee (including Finnish shareholders that are registered within the Finnish book-entry system at Euroclear Finland Oy) must re-register such shares in their own name so that the shareholder is recorded in the presentation of the share register as of Tuesday, April 2, 2024. Such re-registration may be temporary (voting rights registration) and can be requested from the nominee in accordance with the nominee's procedures in such time in advance as the nominee determines. Voting rights registrations effected by the nominee no later than on Thursday, April 4, 2024, will be considered in the presentation of the share register.

Decisions to be made by the Annual General Meeting

The Annual General Meeting determines, among other matters, the appropriation of the Company's profits and whether to discharge the Board of Directors and CEO from liability. The Annual General Meeting also appoints the Directors of the Board and makes decisions regarding remuneration to the Board of Directors. The Board of Directors proposes that a dividend of SEK 2.00 per share in total is distributed to the shareholders in four instalments of SEK 0.50 each. The proposed record dates are Friday April 12, 2024, Thursday August 1, 2024, Thursday October 31, 2024 and Friday February 7, 2025. If the Annual General Meeting resolves in accordance with the proposal, it is estimated that Euroclear Sweden AB will execute the payments on Wednesday April 17, 2024, Tuesday August 6, 2024, Tuesday November 5, 2024 and Wednesday February 12, 2025, respectively.

Telia Company

Telia Company AB (publ)
Mailing address: 169 94 Solna, Sweden
Visiting address: Stjärntorget 1, Solna, Sweden
Corporate Reg. No.: 556103-4249 Registered office: Stockholm
Telephone: +46 771 990100 www.teliacompany.com
Production: Telia Company AB in cooperation with Miltton