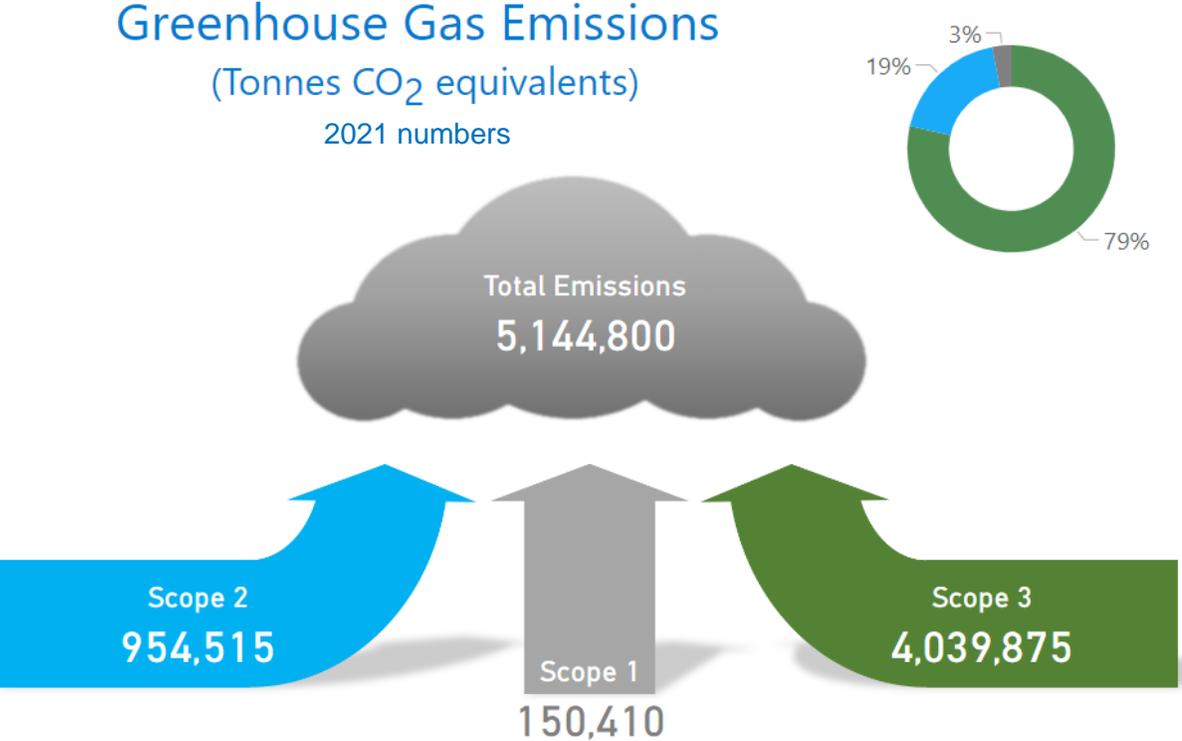




Telenors scope 3 mål

Fagsamling vitenskapsbaserte klimamål
Witold Sitek
31 januar 2023

The largest share of Telenor's emission footprint is from our supply chain – well above 40%



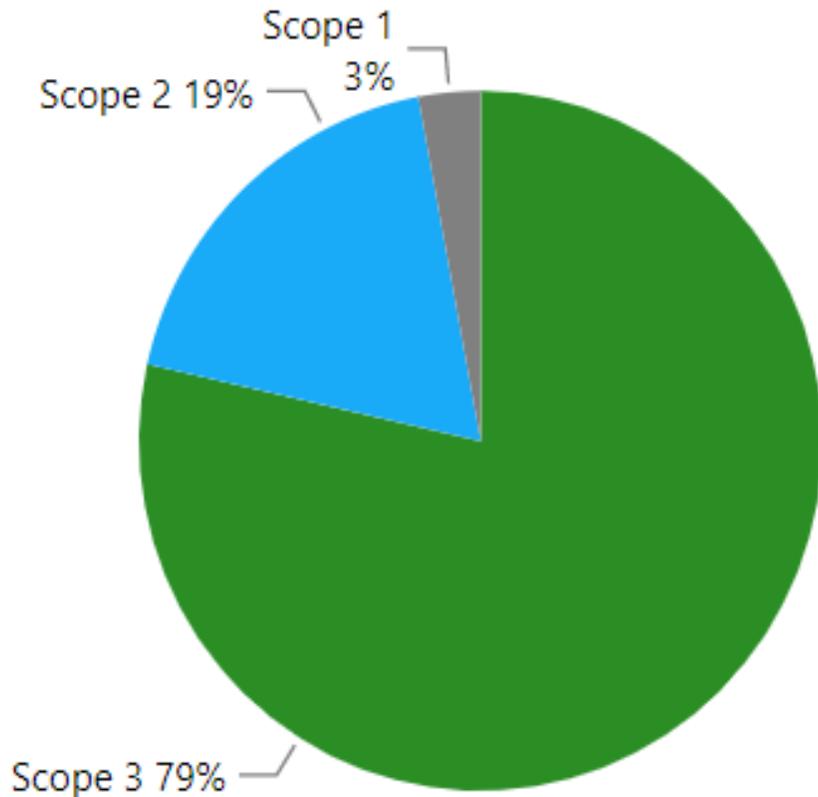
Scope 1&2:
"57% GHG emission reduction within 2030, with a 2019 baseline"
(50% in Asia, 95% in Nordic)

Scope 3:
*"Telenor Group commits that 68% of its suppliers **by spend** covering **Purchased Goods, Services and Capital Goods**, will have science-based targets by 2025"*



Telenor therefore depends on suppliers to reduce our emissions

Telenor's emissions in 2021



Our expectation is that suppliers join us in reducing emissions in the value chain

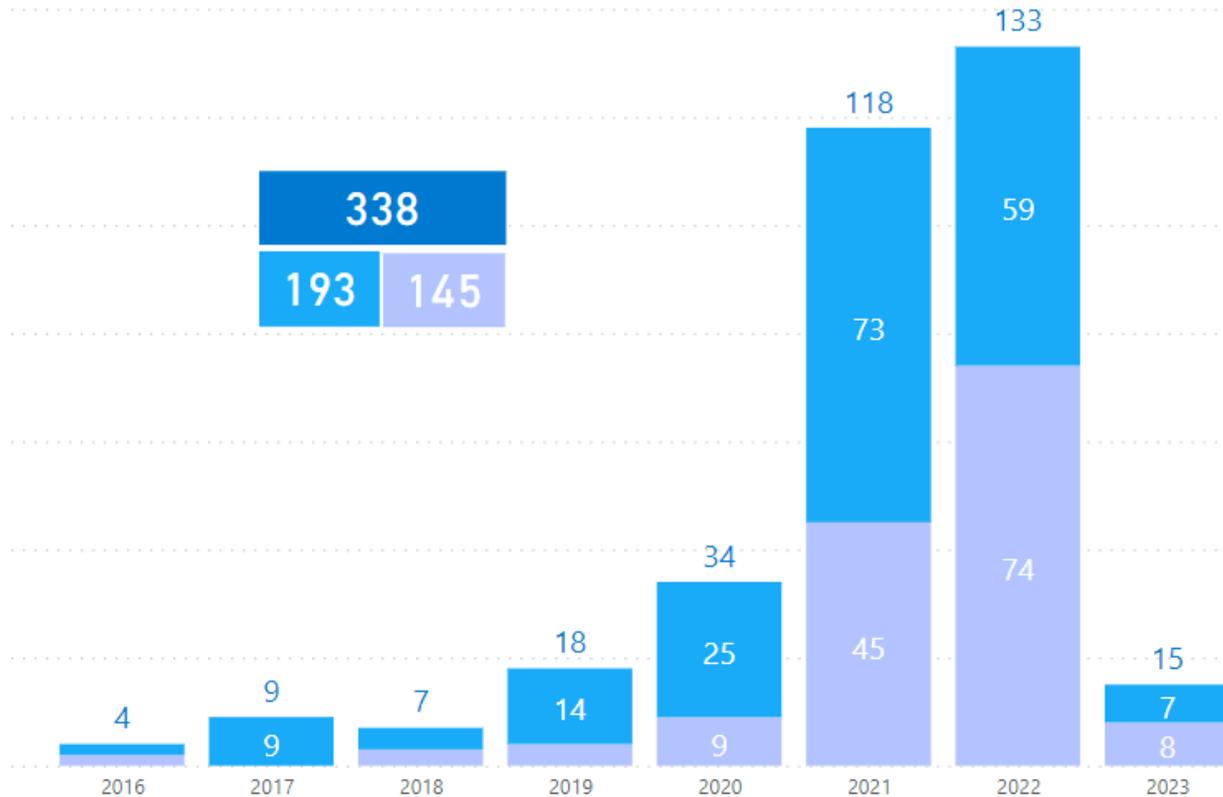
1. Time is limited! As soon as possible: **commit to** and then **set** robust science-based emission reduction targets (SBTs)
2. Do this through [SBTi](#), the internationally recognized “gold standard”
3. Publicly **disclose** emissions annually. Preferably through [CDP](#) (SMEs should not use CDP)
4. **Reduce** emissions annually according to SBTs



~340 of our suppliers have already committed to or set SBTs through SBTi

These suppliers represent many SBTi sectors

● Committed ● Targets Set



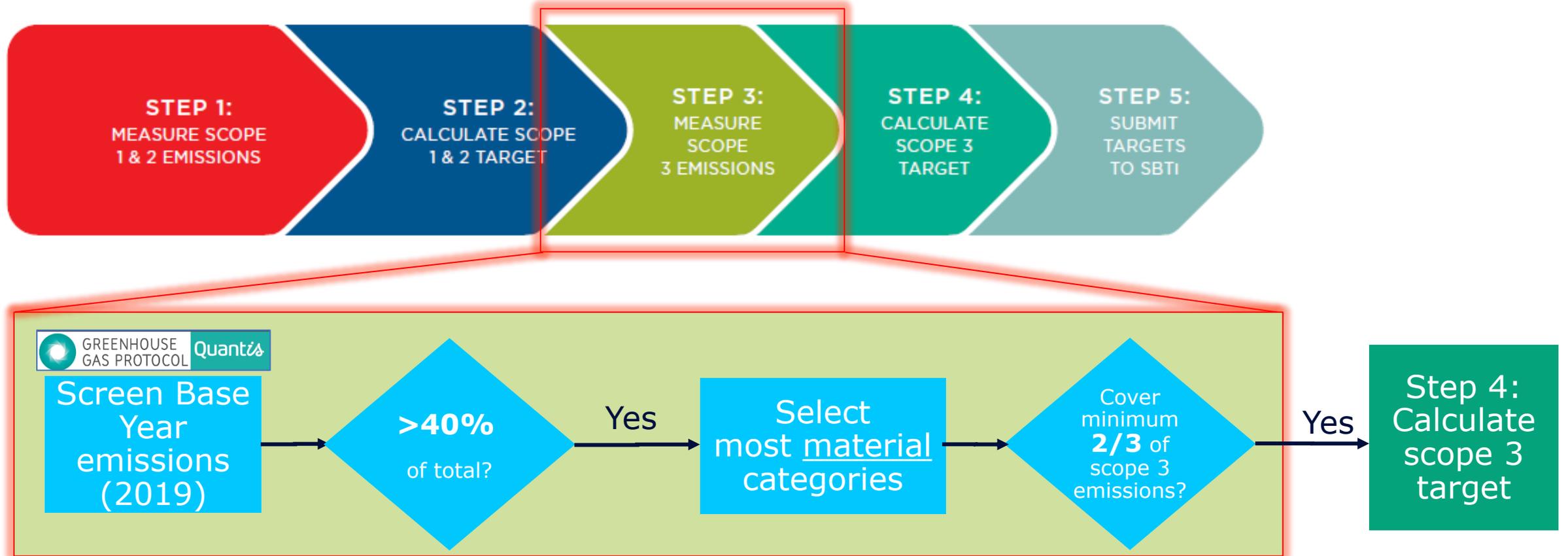
Sector	Spend share
Technology Hardware and Equipment	19.78%
Telecommunication Services	13.22%
Software and Services	2.82%
Electric Utilities and Independent Power Producers and Energy Traders (including fossil, alternative and nuclear energy)	1.89%
Professional Services	1.34%
Air Freight Transportation and Logistics	0.56%
Media	0.35%
Retailing	0.32%
Banks, Diverse Financials, Insurance	0.11%
Real Estate	0.10%
Consumer Durables, Household and Personal Products	0.08%
Electrical Equipment and Machinery	0.07%
Construction and Engineering	0.01%
Specialized Financial Services, Consumer Finance, Insurance Brokerage Firms	0.01%
Food and Staples Retailing	0.00%
Hotels, Restaurants and Leisure, and Tourism Services	0.00%
Automobiles and Components	0.00%
Construction Materials	0.00%
Food and Beverage Processing	0.00%
Forest and Paper Products - Forestry, Timber, Pulp and Paper, Rubber	0.00%
Chemicals	0.00%
Trading Companies and Distributors, and Commercial Services and Supplies	0.00%



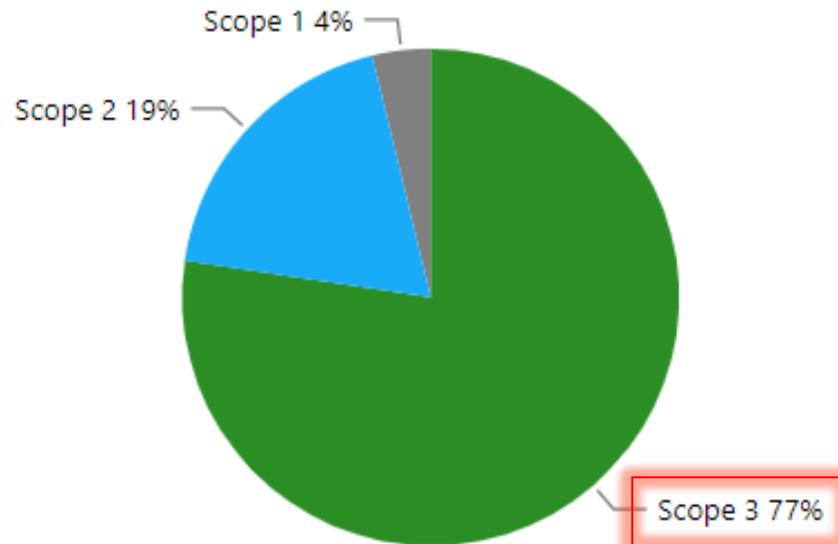
How did we set our Scope 3 target?



Measure Scope 3 Emissions – A steep learning curve



Select the most material categories to keep target simple, but still cover minimum 2/3 of all scope 3 emissions



Source	Share	Tonnes CO2
Cat 01 - Standard Goods or Services	52.9%	2,194,162
Cat 02 - Capital Goods	37.4%	1,551,385
Cat 03 - Fuel and energy related	6.1%	251,847
Cat 11 - Use of sold products	2.5%	105,430
Cat 07 - Employee Commuting	0.6%	24,216
Cat 04 - Upstream transportation and distribution	0.2%	10,202
Cat 06 - Business Travel	0.2%	8,224
Cat 12 - End of life of sold products	0.1%	6,039
Total	100.0%	4,151,505

~90% of the Scope 3 emissions in 2019 were from **purchased goods and services**

Simple target with largest impact: Only consists of Categories 1&2

Our target complies with SBTi's strict format requirements

Target type	SBTi's Wording Template
Absolute	< Company name > commits to reduce absolute < Scope > GHG emissions < percent >% by < target year > from < base year >.
Intensity	< Company name > commits to reduce < Scope > GHG emissions < percent >% per < unit > by < target year > from < base year >.
Renewable energy procurement	<ul style="list-style-type: none"> • For companies already sourcing 100% renewable energy: <Company name> commits to continue annually sourcing 100% renewable electricity through <target year> • For companies who have not yet achieved 100% renewable energy: <Company name> commits to increase annual sourcing of renewable electricity from <percent>% in <base year> to <percent>% by <target year>.
Supplier Engagement	< Company name > commits that < percent >% of its suppliers by < spend/emissions > covering < name categories >, will have science-based targets by < target year >.



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

Why an engagement Scope 3 target? And why by spend?

Scope
3

*68% of suppliers **by spend** covering Purchased Goods, Services and Capital Goods, will have science-based targets by **2025***

Why an Engagement target?

1. **Maximum (Domino) Effect**
2. **"Tight-Loose-Tight"**
3. **Minimal Administrative Overhead**

- Common approach consistent with Paris Agreement
- Each supplier knows their emissions better than us
- No supplier-specific reporting requirements from Telenor

180
of
2200

Why by Spend (and not by emissions)?

4. **High Data Quality**
5. **Monthly Tracking of Progress**
6. **Easy to relate to for us and suppliers**

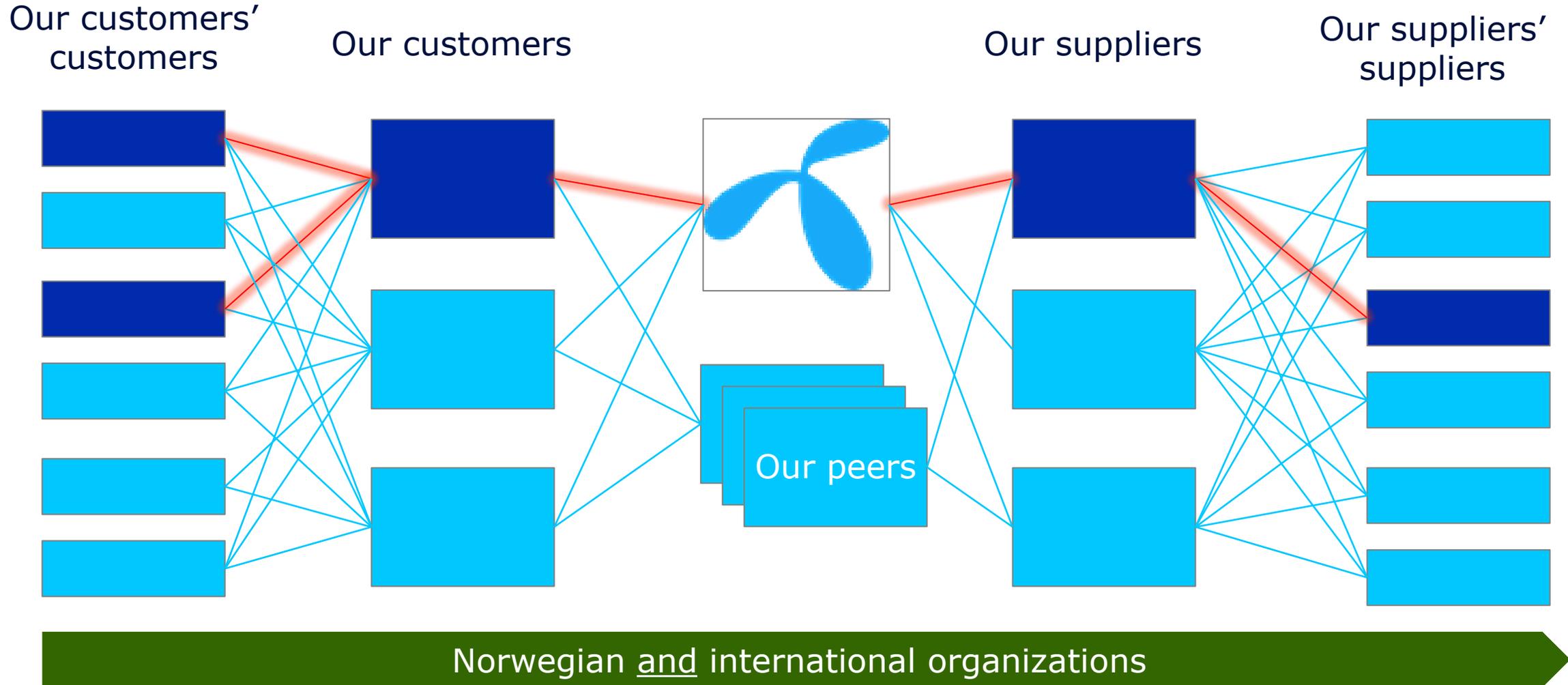
- Spend is financial data – high quality is given
- Not limited to annual supplier disclosures of emissions
- Contract value and market share at risk

85
of
2200

Such target can minimize complexity/costs for our suppliers, our customers and ourselves

The "Domino effect" potential of engagement targets is high

...so is the reporting effort risk of inconsistent reporting requirements throughout the value chain!





Agenda

- Telenor's validated scope 3 target
- What Telenor expects from suppliers
- How we set the scope 3 target
- Why an engagement target

Thank you

