

Press Release
February 4, 2020

Telia Company issues a green hybrid bond of EUR 500 million

As the first telecommunications company in the Nordics, Telia Company today issued a green hybrid bond of EUR 500 million. The proceeds will finance more energy efficient networks, e.g. network transformation from copper to fiber optic cables in Sweden, and green digital solutions for customers.

Sustainability is integrated in Telia Company's business model and is essential in meeting the ambitions of having the most loyal and satisfied customers in core markets, delivering competitive shareholder return and having the most engaged employees. Within financial management, the ambition is to make Telia Company a truly sustainable credit for investors.

"We are very pleased with this first step in opening a new green source of financing. Our industry has a key role to play in tackling climate change and therefore it makes sense for us cater to the strong market demand for green investments. This also links closely to our ambitious environmental agenda – the Daring Goals - launched last year. We will use the proceeds from this green bond for investment needs associated with our environmental ambitions," says Agneta Wallmark, VP Head of Group Treasury at Telia Company.

Telia Company has identified four investment categories eligible as green: energy efficiency, green digital solutions, renewable energy and green buildings. The proceeds can be used for new projects and for existing projects no older than two years.

In 2019, Telia Company set the Daring Goals to reach zero CO₂ throughout the value chain and zero waste in its own and networks operations by 2030. This journey will involve all parts of the company. In January, Telia Company set more detailed environmental goals to be reached by 2022. These goals include climate neutrality within its own operations (covering energy use and business travel), only use renewable electricity, and increase energy efficiency. The company will further develop and scale green offerings and also engage with suppliers to achieve the goals.

The environmental impact of the projects financed by the green bond will be reported annually in Telia Company's Annual and Sustainability Report, as will progress related to the Company's environmental goals.

The rationale for issuing additional hybrid capital is to further decrease leverage and prove the commitment to the Company's rating target of A- to BBB+. The first three tranches of hybrid capital were issued in March 2017 and introduced a subordinated capital layer. The structure and terms and conditions of today's offering are similar to Telia Company's outstanding hybrid bonds.

The new hybrid bond has a maturity of 61.25 years with the first reset date after 6.25 years. The coupon is 1.375 percent and the re-offer yield has been set at 1.50 percent.

The hybrid bond has been rated two notches below Telia Company's senior rating, i.e. BBB- (S&P) and Baa3 (Moody's). The hybrid bond will be treated as 50 percent equity and 50 percent debt, as confirmed by the rating agencies. The bond will be accounted for as interest-bearing debt and will be subordinated to Telia Company's senior debt



The Joint Bookrunners mandated by Telia Company for this transaction were BofA Securities, Citigroup, Nordea and SEB.

[Telia Company Green Bond Framework](#)

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We're Telia Company, the New Generation Telco. Our approximately 21,000 talented colleagues serve millions of customers every day in one of the world's most connected regions. With a strong connectivity base, we're the hub in the digital ecosystem, empowering people, companies and societies to stay in touch with everything that matters 24/7/365 - on their terms. Headquartered in Stockholm, the heart of innovation and technology, we're set to change the industry and bring the world even closer for our customers. Read more at www.teliacompany.com