

# TDC NET 2020 Sustainability Highlights





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### About this report

This document concerns the environmental, social and governance performance of TDC NET A/S. It is an extract of our TDC NET A/S Annual Report 2020, which is an integrated report of the company's financial and sustainability performance, prepared in accordance with GRI Reporting Standards: Core option, externally assured by an independent third-party assessor, and is in compliance with sections 99a and b of the Danish Financial Statements Act. This report, and our integrated Annual Report, are both available on our website: <https://tdcnet.dk/>. Both reports and the accompanying GRI Index and our ESG Data Accounting Principles are both all available on the TDC Group website <https://tdcgroup.com/en/>.

# Comment from our CEO

**As Denmark's leading digital infrastructure provider, TDC NET is shaping the next generation of nationwide digital infrastructure. We contribute to the digitisation of Denmark by delivering the best mobile network and the fastest fixed connections to ensure that all of Denmark is better connected.**

2020 has been a year that demonstrated the critical importance of reliable, secure and fast connectivity networks to Danish society at large. From busy home offices and online school classes, to video calls with friends and family, our connectivity networks have ensured that Denmark could continue to operate under the 'new normal' precipitated by the pandemic. While network traffic spiked almost overnight, we delivered reliable and stable connections throughout the period. We are proud that our networks passed their greatest stress test ever.

At the same time, we did not forget our other obligations to contribute positively to the society that we are a part of by operating in a responsible manner, reducing negative climate impact, and bringing together our employees to support relevant worthy causes. For example, we explored ways to support society's response to the pandemic and initiated a partnership with the Danish

Red Cross on the digital platform SnakSammen.dk, where people experiencing loneliness or isolation connect with volunteers online. During 2020, more than 2,600 online meetings were arranged.

On top of this, in 2020 we brought forward our climate action target by two years and will now be CO2 neutral in 2028 (scopes 1 & 2), and we have also uncovered the full climate impact of our entire value chain (scope 3). We continued to reduce our energy consumption through legacy decommissioning projects, and we took the first steps towards transitioning to renewable energy. In 2021, we intend to continue this important work, as we will publish our scope 3 CO2 reduction targets and aim to have emissions reduction targets approved by the Science-Based Targets initiative.

We are committed to the UN Global Compact, as a part of TDC Group, and our obligation to operate in line with these principles is

one we take seriously. In our efforts to ensure responsible business development, we have taken important steps in the past year in maturing the health and safety culture in our own business. We also worked on deepening the dialogue with our subcontractors. Together with achieving ISO 45001 certification for our entire operation, these elements are all part of our new health and safety strategy which was approved in 2020.

We are determined to promote sustainability and contribute positively to the development of Danish society and when we, in 2020, invested DKK 4 billion in creating world-class digital infrastructure such as 5G and fibre, we not only see it as an investment in TDC NET, we see it an investment in a sustainable,



digital Denmark. In this report, you can read more about our initiatives and how we deliver on our sustainability commitment with our purpose in mind: We connect Denmark. For everyone.

**Andreas Pfisterer**  
CEO

# ESG at TDC NET

## Our approach

As a provider of critical infrastructure, we take responsibility for running our business in a sustainable manner. Our sustainability strategy is based on three-pillars, which are guided by our material issues (based on an extensive materiality assessment), our ESG (Environmental, Social and Governance) commitments and strategic business priorities. Our approach is closely aligned with our business ambitions and core competencies.

## Our sustainability strategy

### Environmental impact

We will be 100% CO<sub>2</sub> neutral in 2028. We minimise our environmental impact

### Digital Denmark

We support digital citizenship, develop digital solutions and ensure digital connections for all of Denmark

### Operating responsibly

We take responsibility for our employees, our customers, and our value chain

This demonstrates our ambition to make an impact and actively operate and develop TDC NET in a way that promotes sustainability and contributes positively to society. To ensure transparency, our ESG data collection process is externally assured by a third-party assessor.

## Governance

Our sustainability strategy is embedded in our business strategy and is approved by our Board of Directors. On an operational level, our Executive Management is responsible for ensuring our targets are achieved. The strategy and activities are cascaded down through the whole organisation.

To manage our climate commitments, we are part of the “CO<sub>2</sub> Forum”, a cross-company working group established and led by TDC Group. The forum is a collaborative venture in which key management-level personnel from both TDC NET and our sister company Nuuday participate.

Our governance is supplemented by topic-specific checks and balances, which are externally audited. Our environmental activities are tied to our ISO 14001 certified environmental management system, and our health and safety (H&S) approach is tied to our ISO 45001 certified H&S system.

An extensive array of issue-specific policies also covers critical ESG risk areas such as: network and IT security, data protection,



Governance model

privacy and data ethics, anticorruption, and our employee code of conduct. These have established lines of responsibility culminating with the TDC Group A/S Board of Directors or the Audit Committee of the Board of Directors, which support strong governance within ESG issue areas at TDC NET.

## UN Sustainable Development Goals

At TDC NET, we appreciate the potential of connectivity in generating solutions to many of the world's development challenges. We have chosen to align our own operations with the spirit and objectives of 3 of the sustainable development goals (SDGs) in particular.

## SDG 4 Target

25% of Danish schoolchildren to have benefited from TDC NET initiatives on digital citizenship and skills in 2025

## SDG 4 Performance

- By the end of 2020, 99,205 Danish school children have tested their digital skills with WiFive; we are now 52% of the way towards our 2025 target

## SDG 9 Target

One million homes to be passed by fibre and nationwide 5G coverage

## SDG 9 Performance

- In 2020, TDC NET passed 123,000 homes in Denmark with fibre broadband. We are now 39% of the way to achieving our goal
- National coverage with 5G was achieved by December 2020

## SDG 13 Target

TDC NET has set a target to be 100% CO<sub>2</sub> neutral in 2028

## SDG 13 Performance

- Agreed roadmap to CO<sub>2</sub> neutrality; including bringing forward target deadlines; from 2030 to 2028 and from 2025 to 2023
- Completed first Scope 3 emissions inventory; a critical step in setting our SBTi targets.





# Climate & environment

## Our approach

At TDC NET, we see connectivity as an enabler of sustainable economic growth. However, connectivity is not without environmental costs. Networks require electricity to operate and manufacturing the equipment we use requires large-scale production and rare earth minerals. This impact is our responsibility. We maintain a systematic framework of impact assessment, gap analyses, initiative planning, and active management, all guided by our materiality matrix and based on the ISO 14001 Environmental Management System.

## Our targets

Our target is to be 100% CO<sub>2</sub> neutral by 2028 for our direct emissions (Scopes 1 and 2) and to reduce our CO<sub>2</sub> emissions by 50% by 2023, from a 2020 baseline. We have also committed to setting Science Based Targets for Scopes 1, 2 and 3 in 2021.

## 2020 performance

The CO<sub>2</sub> Forum has developed a roadmap of initiatives that will deliver on our CO<sub>2</sub> targets. Initiatives include four extra capex initiatives, which we expect to reduce CO<sub>2</sub>e emissions by 191 tons in 2021 and inviting a tender for a renewable energy PPA (power purchase agreement) for our electricity consumption. We expect the agreement to be finalised in 2021. We have chosen to pursue a PPA instead of buying certificates from existing renewable energy capacity because we want to take co-responsibility for promoting the green transition in Denmark.

## Energy & emissions performance

In 2020, we recorded a 0.6% increase in our energy use compared with the previous year, and correspondingly a 0.5% increase in our operational emissions (Scopes 1 and 2). Both were driven by a 0.7% increase in our electricity consumption. Despite implementing several mobile and landline network energy-saving initiatives, their full effect will not be realised until 2021 and 2022. We were therefore unable to counter the increased electricity consumption demanded by the rapid development of our network, as many 5G sites and fibre connections were built in 2020.

Our fuel for transport decreased by 1% compared with 2019, due to initiatives such as rolling out electric scooters, cargo bikes for our Fibre Factory and the COVID-19 situation. We launched a “Pioneering Digital Collaboration”, which gives employees more freedom to work anywhere, anytime. According to our modelling, this could result in a decrease of over 1,400 tons of CO<sub>2</sub>e.

## Scope 3 inventory

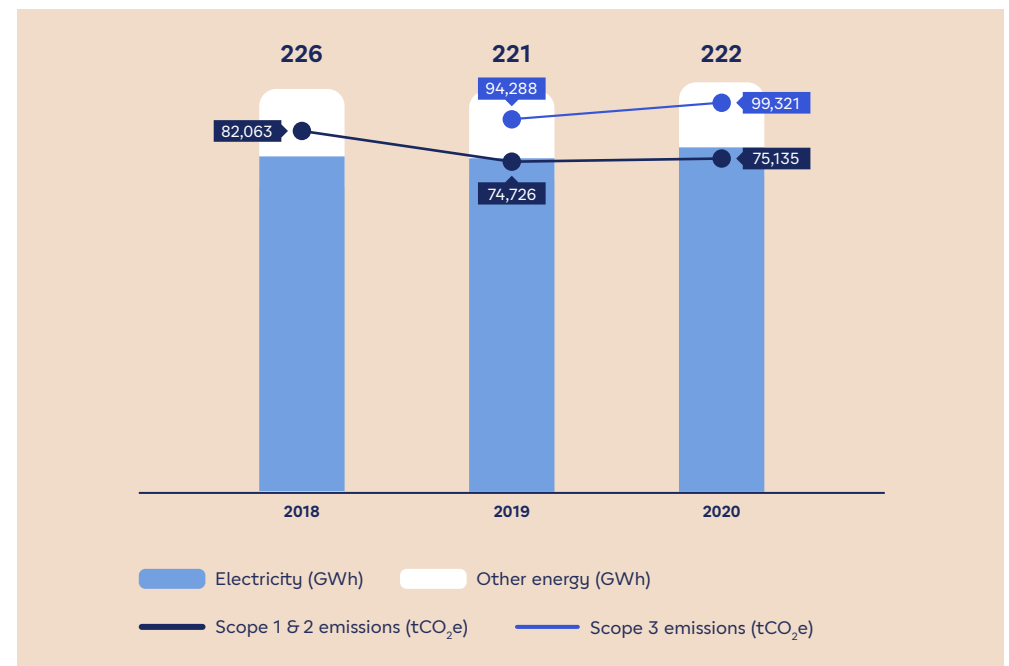
In 2020, we completed our first inventory of our scope 3 emissions. The scale of our value-chain emissions is approximately 1.3 times greater than our direct operations, and the biggest emitters are: purchased goods and services, and capital goods. This provides us with the baseline for setting our SBTi Scope 3 target and identifying the levers available.

## Resource management

In 2020, we recycled 65% of our waste while almost 33% went to energy recovery (incineration). Of the remainder, 1.3% was composted and just 1.4% went to landfills. From a network perspective, our 5G rollout has required upgrading 3,800 existing radio sites. More

than 700 tons of existing installation material has been used for spare parts, recycled, or scrapped. On top of this, we have identified approximately 85,000 devices that are now available to be sold for reuse by operators in other countries, harvested for spare parts, or recycled.

## Energy consumption & CO<sub>2</sub>e emissions development over the last 3 years



We report our emissions in line with the World Business Council for Sustainable Development GHG Protocol methodology, which classes emissions in 3 groups: Scopes 1, 2 and 3. Our Scope 1 emissions consist of the fuel in our vehicles, the oil in our backup generators and other energy sources we use in our operations. Our Scope 2 emissions are the emissions from the electricity we purchase to power our operations and the heat from district heating. Our Scope 3 emissions relate to the emissions generated in our upstream and downstream value chain that result from our operations.

# Bringing people together

## Our approach

We are committed to realising “Digital Denmark” through countrywide connectivity. When investing in our network, we are investing in Denmark’s digital future.

We join forces in partnership with dedicated and knowledgeable representatives of civil society to ensure that everyone can benefit from the new, rapidly evolving opportunities digitalisation brings.

## Partnership with Danish Red Cross: Connecting people during COVID-19

During 2020, COVID-19 took its toll on most people. Home quarantine and social distancing became part of our everyday lives, leading to increased isolation and loneliness.

At TDC NET, we therefore teamed up with the Danish Red Cross to support SnakSammen, a digital initiative that brings people together, as our digital infrastructure holds the power to connect people, especially at a time when we must all keep our distance.

On the digital platform, SnakSammen.dk, people experiencing loneliness, or a sense of isolation can connect with volunteers from the Danish Red Cross. They can book as many online sessions as they like – to feel connected, have a laugh or merely see a friendly face.

During 2020, more than 2,642 online meetings were arranged via the platform, with positive feedback from both users and volunteers.

The partnership with the Danish Red Cross is continuing into 2021 to support those experiencing a sense of being disconnected during the pandemic.

## Girls and women in technology

TDC NET is committed to encouraging girls and women to pursue IT, software and engineering careers. We collaborate with educational institutions on a number of initiatives:

- Hosting Girls’ Day in Science in collaboration with Naturvidenskabernes Hus
- Hosting Tech Career Days in collaboration with the IT University
- Extending our partnership with Women in Tech Denmark
- Collaborating with the non-profit ReDI School on offering IT courses to women with migrant and refugee backgrounds



# Advancing digital citizenship among young people

## Our approach

At TDC NET, we have a clear purpose to connect Denmark. For everyone. We support the next generation in benefitting from being connected and wish to enable children in Denmark to understand technology, be digital citizens and gain useful knowledge and skills.

We help them to explore, create and use the opportunities that our network and infrastructure offer individuals as well as society – in a safe and responsible way.

## School pupils' digital skills strengthened through WiFive

The WiFive initiative was established in 2016. Since then, we have developed free learn-

ing materials and a "Digital Drivers' License" offered to all pupils from second to sixth grades in collaboration with the school pupils' organisation "Danske Skoleelever" and pupils from all over Denmark.

We engage in this important initiative since online interaction based on our digital infrastructure is an integrated and crucial part of many young people's lives and social interaction. Therefore, digital knowledge, understanding and skills are important.

So far, almost 100,000 pupils have benefited from the WiFive learning materials, and WiFive is being used in more than one third of all schools in Denmark.

The WiFive learning materials focus on:

- How our digital infrastructure is constructed and works
- How to behave and interact virtually in a safe and responsible way
- The benefits and positive possibilities of a digital future

In 2020, we launched an updated version of the WiFive materials suitable for second- and third-grade pupils on multiple platforms to supplement the learning materials for fourth to sixth graders, which were launched in 2017.

Furthermore, the WiFive initiative has expanded with courses targeted schoolteachers to support them in teaching digital citizenship.

## 2020 results

- Launch of learning materials for second and third graders
- Digital courses for teachers
- Learning materials made available on more digital platforms: WiFive.dk, Clio, MeeBook, MinUddannelse and BørnUnge-liv
- Launch of WiFive for seventh graders in Greenland
- Number of pupils reached: 99,205
- Percentage of total number of pupils in grades 2-6 in Denmark: 29.9%
- Number of teachers reached: 1,922
- Number of schools reached: 768
- Percentage of all schools in Denmark: 34.6%





# Operating responsibly

## Our approach

We are aware of our responsibility to Danish society to operate in a conscientious and transparent manner. It is critical that our partners, employees and customers trust us and feel secure.

We comply with the relevant laws and regulations. We aspire to higher standards and seek to continuously improve our policies and practices through external benchmarking assessments, certification, and other external validation. Supporting these principles, we have policies and procedures that our employees are required to be aware of or take training in. These include our whistleblower policy, our anti-corruption and gift policy, our sustainability policy, our data ethics policy, our data privacy policy, our Partner Code of Conduct, our GRI reporting index and our ESG accounting principles.

## Sustainable Procurement

In our supply chain, we focus on environmental impact, human and labour rights, and health and safety.

In 2020, we worked to reduce risks in our operations and value chain through systematically addressing the safety performance of key civil works suppliers by establishing safety reporting systems.

In 2021, we will strengthen our sustainable procurement programme through industry

initiatives, screening, and engagement with our suppliers. Various initiatives are planned, including setting targets, and establishing internal sustainable procurement reporting.

## External assessment and certifications

Currently, we have two ISO certifications across our business, covering environmental management (ISO 14001) and occupational health and safety (ISO 45001). Our IT security policies are aligned with ISO 27001.

We publish information related to our ESG activities to increase transparency. Our ESG reporting is prepared in accordance with GRI Reporting Standards: Core Option and is assured by external, third-party assessors. As a part of TDC Group, we are assessed by both GRESB and EcoVadis. In 2020, we received a GRESB Infrastructure score of 65, up 4 points from 2019, and our EcoVadis score for 2020 assessment was also 65, up 3 points from 2019, putting us in the top 10% of respondents. In 2021, we will report to CDP and in line with TCFD requirements.

## Our stakeholders

We actively engage with our stakeholders to identify material issues through different channels, including direct engagement through bilateral dialogue, participation in industry groups, collaboration with authorities, and external reporting for benchmarking and transparency. The stakeholders we engage with include: authorities and regulators, cus-

tomers, employees, investors, management, media, owners, partners and interest organisations, suppliers and business partners.

## Memberships

TDC NET is a proud member of specially selected organisations and commitments. We collaborate with the Telecoms Industry Association (TI), the Danish Chamber of Commerce (Dansk Erhverv), and the Danish IT Industry Association (ITB).

Internationally, we are represented at Board level on the Global e-Sustainability Initiative (GeSI). We also participate in the association of mobile network operators worldwide GSMA, the European Telecommunications

Network Operators' Association (ETNO), and the Joint Audit Committee (JAC), an association of telecom operators working to further ESG implementation in the global ICT supply chain.

TDC NET is a signatory to the United Nations Global Compact through TDC Group. As a result, the 10 principles of the Global Compact underpin our commitment to human rights, labour conditions, respect for the environment, health and safety, data protection and security, and ethical business practices. Through TDC Group, we have signed the UN Business Ambition for 1.5°C Pledge.



**GeSI** ENABLING  
DIGITAL  
SUSTAINABILITY



**BUSINESS AMBITION FOR 1.5°C** **OUR ONLY FUTURE**



# Health & safety

## Our approach

Ensuring good labour practices in terms of wellbeing and physical safety has high priority and is key to securing that employees can fulfil their potential.

## Structure and governance

Our health & safety (H&S) organisation is structured in line with the Danish Working Environment Act and TDC NET is H&S certified (ISO 45001) based on an H&S management system that defines strategy, risks and procedures.

The H&S collaboration is managed by our Joint H&S Committee, which consists of four employee representatives from the H&S organisation, three representatives from the trade unions, a representative from TDC Group management and the Head of H&S. Furthermore, H&S is anchored in 53 H&S groups.

## Risks

In 2020, the major H&S risks for our employees working both onsite and in offices involve primarily the spread of COVID-19, although technicians also face risks associated with fibre rollout and other projects (falling, traffic etc.).

In line with the recommendations from the Danish Government, TDC NET has designed a COVID-19 risk-level model to guide mitigating actions. The risks of working in the Fibre Factory project is mitigated by an active H&S organisation at TDC NET Onsite and an H&S concept at Fibre Factory itself.

## 2020 performance

A new H&S strategy was approved by TDC Group's Board of Directors in 2020 that focuses on developing a preventive H&S culture to mitigate and reduce negative effects of the physical and psychological work environment.

We have converted our OHSAS 18001 certification to ISO 45001 certification, the world's international standard for H&S. We have implemented H&S data collection with our top 30 subcontractors, focusing on the rollout of fibre and 5G. Employees have also received H&S training. Our TDC Bradley model, developed to measure the maturity of our H&S culture, was used to conduct a baseline survey that recorded a Bradley score of 72/100 for TDC NET. This result reveals that TDC NET's H&S culture is mature and based on high-level awareness and personal responsibility. To further strengthen the culture, we will develop and implement action plans throughout the organisation.

## 2020 Data

Fatalities	0
With Lost time	31
Without lost time	48
<b>Total</b>	<b>79</b>
Days of absence	351
Injury incidence (Lost time Injuries per 10,000 employees)	116
Rate of fatalities (per 1,000,000 hours)	0
Rate of High consequence work related injuries (per 1,000,000 hours)	7
Rate of work-related injuries (per 1,000,000 hours)	18
Rate of near miss accidents (per 1,000,000 hours)	15

## Targets

Our H&S strategy has a target to reduce negative H&S consequences, such as injuries, wellbeing and attrition, by 50% by 2025.



# Security and digital trust

## Our security approach

Security remains our top priority, and we base our work on four principles:

1. Protect our company, 2. Protect our customers, 3. Protect our employees, 4. Protect citizens. We take responsibility for IT, information, and physical security by applying a wide-ranging security policy based on best practice in compliance with ISO 27001.

## 2020 security performance

In support of TDC NET's regulatory and societal obligations as a key provider of critical national infrastructure – as well as contractual obligations towards customers – we have built a solid foundation for integrating security risk management in our operational processes. Specifically, activities associated with identifying, assessing and managing security risks can affect the confidentiality, integrity and availability of our assets and data, and have therefore been integrated in the established life-cycle management processes for our technical components and applications. Regarding our employees, we are continuously engaged in security awareness activities. In 2020, we launched a voluntary learning platform that 77% of our employees have joined.

## GDPR: We keep your data close at heart

We take our responsibility for protecting customers' and employees' personal data very seriously. We aim to ensure that GDPR requirements and provisions are met. Through both organisational and technical measures, we ensure that we process personal data safely, securely, and in compliance with all relevant legislation.

While the responsibility to achieve and maintain GDPR compliance spans the whole of TDC NET, an appointed Group Data Protection Officer (DPO) specifically drives the agenda from a central point in TDC Group, and a DPO Office has been established to support the DPO. Data Privacy Managers (DPMs) in each business line are responsible for day-to-day processes and GDPR compliance. The DPO liaises with the supervisory authorities and reports both to the Board of Directors via the Audit Committee, and to the Executive Management Team.

All employees must complete e-learning training on GDPR and personal data compliance and pass a test every 18 months; this is also a mandatory component of the onboarding process for all new employees. For employees who handle personal data every day, other supplementary educational

and awareness initiatives are implemented. In 2020, 99% of all TDC NET employees completed the GDPR e-learning course.

## Data ethics: Public statement of intent

In 2020, we published our data ethics policy, outlining our data ethical principles. Throughout the year, we conducted a series of interviews with managers and employees in parts of the organisation that work specifically with and handle personal data and have work tasks that involve aspects of data ethics.

It is our assessment that across the organisation, personal data is handled responsibly and in accordance with our data ethics policy. However, we want to continuously strengthen the awareness of GDPR compliance and data ethics going forward. And our series of interviews throughout the organisation led us to conclude that high awareness of GDPR compliance is also conducive to a good data ethics culture in the organisation.





# Diversity and inclusion

## Our D&I approach

Our approach to diversity and inclusion (D&I) reflects two core TDC NET values: “We care” and “We are open”. We serve citizens from all areas of society; of every age, gender, ethnic background, religion, ability, and sexual orientation – and we want our employees to reflect the diversity within society. TDC NET is a workplace with equal opportunities for anyone with the right skillset and mindset. We are proud that among our 2,676 employees we have 24 different nationalities, a wide age profile from 16 to 71 years of age, and numerous different backgrounds.

## 2020 D&I performance

We have managed to increase the share of women in leadership from 15% in 2018 to 18% today. We aim to be industry front-runners on gender equality in leadership and have set a goal to increase the share of women at all leadership levels to 50% by 2025. While the development is positive, we understand that we still have an important journey ahead. In 2020, we introduced a new D&I programme that trains leaders in recognising unconscious biases and practising inclusive leadership. We have also implemented the Develop Diverse AI language software, which helps us create inclusive and gender-neutral job ads to attract a wider and more diverse pool of candidates.

## An open and caring culture for all

We continue to promote a diverse work-place where everyone feels they can contribute and truly be themselves. We work to strengthen the wellbeing of minorities, including people with mental or physical disabilities, refugees, and people identifying as LGBT+. During Pride Week, we hosted educational talks for our employees, and we are a long-term partner in the Ministry of Equality's industry focus group to support the inclusion and wellbeing of LGBT+ individuals. The ability to organise one's work life according to individual needs remains a corner-stone for us, so that TDC NET can be a place with opportunities for all regardless of a reduced work capacity or busy family life.

## Gender diversity in management

TDC NET's Board of Directors currently has three male members elected by the general meeting, with a goal to have both genders represented by at least 33,33 % by the end of 2021. TDC NET's subsidiary, Dansk Kabel TV A/S currently has four male board members elected by the general meeting, with a goal to have both genders represented by at least 25% by the end of 2021. These two targets have not been achieved yet, because the shareholders have decided not to change any of the Board members.



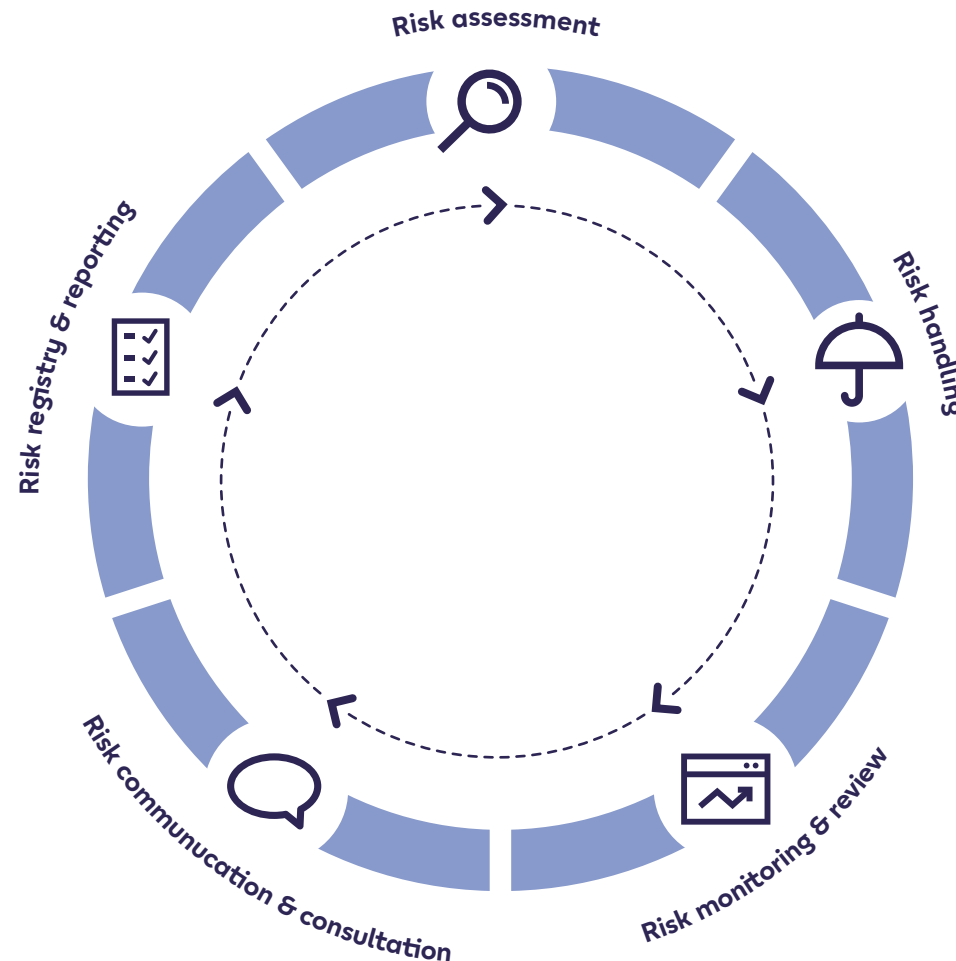


# Risk management approach

TDC NET faces both internal and external risks on which we focus in the short, medium and long term. The following pages describe short- and medium-term risks. TDC NET has identified risks that could influence long-term growth where TDC NET could jeopardise its market-leading position and high network utilisation. However, strategic initiatives focus on mitigating these risks. Risk management is an integrated, structured, and dynamic aspect of TDC NET's business operations and planning and is based on a hybrid of internationally recognised standards such as ISO, COSO, and NIST.

Risk assessments are conducted monthly whereby business lines and corporate functions identify and update all significant risks within the TDC NET risk universe. Risks are then consolidated and assessed on their type, potential impact and probability, and the information is reported to the Risk Committee on a monthly basis, to the Corporate Management Team on a quarterly basis, to the Audit Committee biannually, and to the Board of Directors once a year. Responsibility for significant risks is assigned to a member of the TDC NET management team, with the risk monitored and evaluated \*on a monthly basis compared with defined risk-appetite levels. Mitigating initiatives are also established, tracked, and evaluated.

By their very nature, forward-looking statements involve certain risks and uncertainties. Risks not currently known, or emerging risks that TDC NET currently deems to be immaterial, may also adversely affect our business and financial conditions. The most essential risks and uncertainties that could impact TDC NET's operations are stated but may not be limited to those listed below.



Risk	Potential impact	Mitigation initiatives
<p><b>Commercial factors</b></p> <p>The telecommunications industry is undergoing a major transformation and hence the risk landscape remains subject to fierce competition coming from market developments and price pressure where digitalisation, changes in customer behaviour, and new technologies are among the major drivers leading to a transition to new business models and structural changes.</p> <p>Technology developments can potentially lead to increased churn if fast and swift adaption to new technologies is not ensured. The ongoing modernisation of the network introduces new risks and new opportunities that are being closely monitored. With the 5G rollout, TDC NET is presented with a great opportunity as the sole industry actor in the country to have achieved that milestone in 2020. However, uncertainties concerning spectrum availability might represent a risk for the business.</p> <p>Lastly, fraudulent activities from malicious or legitimate third parties, e.g. SIM swapping, could have a plethora of different consequences.</p>	<p>Delays in technological modernisation could result in a diminished reputation among Danish society and B2B customers and could consequently result in financial loss and higher churn.</p> <p>Moreover, uncertainties around spectrum auctions represent an uncertainty for TDC NET that could materialise in the risk of losing its position as the leading network provider in the country. Intensified competition and net loss of customers could lead to reduced ARPU and pressure on margins and profits.</p> <p>Lastly, fraudulent activities might prompt reputational damage within Danish society and TDC NET'S B2B customers, causing direct or indirect financial loss.</p>	<ul style="list-style-type: none"> <li>• Monitoring commercial developments, market and customer behaviour, changes to service offerings, product portfolios, and market performances in general</li> <li>• Focus on market positioning and ensuring the best mobile network in Denmark to retain and attract customers</li> <li>• Secure right positioning towards device manufacturers and other operators</li> <li>• Ensuring appropriate controls to mitigate fraudulent activities</li> </ul>
<p><b>Political, legal and financial factors</b></p> <p>TDC NET's positioning as the leading network provider determines its susceptibility to several, political, economic or legal/regulatory factors. TDC NET may be impacted by regulatory changes or new regulation or legislation that, in turn, may lead to e.g. increased compliance requirements or reduced sector profit, reducing the incentive to invest. Other factors relating to network integrity, data security, and customer privacy are also to be considered highly relevant in this context, as TDC NET has a responsibility to protect data from misuse, loss, unauthorised disclosure and damage. However, the digitalisation age is leading to new and faster ways of working and connecting that are resulting in more complex and data-driven business models continuously challenging the ability to retain control over how data is collected and used.</p> <p>Other macro factors could relate to financial risks such as higher interest levels leading to higher financing costs when refinancing, or fraudulent events leading to financial loss. Macro factors could also be related to public sentiment regarding TDC NET or our suppliers potentially weakening our ability to engage with political and regulatory stakeholders. Finally, additional macro factors could also relate to external events or circumstances that could compromise or improve TDC's standing or credibility, which could potentially impact on consumers and/or revenue streams.</p>	<p>Changes in regulation or government policies could affect our business activities, as could decisions by regulatory authorities or courts, which in extreme cases, could include granting, amending or revoking of telecom licences and spectrum permits. A new law on supplier security in critical telecommunications infrastructure might lead to swapping network equipment earlier than planned, leading to increased short-term cost levels and lack of transparency when planning.</p> <p>Individual cases of operational and external issues could also constitute short-term detractors from TDC NET's public image by affecting the overall reputation and brand image. Lastly, risks related to network integrity, data security, and customer privacy could also lead to unfavourable perceptions of TDC's ability to handle these matters, which in turn could impact our business. Not meeting national and EU legislation could result in significant financial penalties.</p>	<ul style="list-style-type: none"> <li>• Monitoring of political and legal developments in the markets where TDC operates</li> <li>• Proactive and continuous close dialogue with politicians, and regulatory and market stakeholders, such as the DBA</li> <li>• Storytelling and clear communication about TDC NET's strategy and initiatives through campaigns, marketing, and social media focusing on our contributions to Danish society</li> <li>• Implementation of the EU General Data Protection Regulation (GDPR) and training on security and privacy awareness for all employees</li> </ul>

Risk	Potential impact	Mitigation initiatives
<p><b>Network quality and security factors</b></p> <p>High-quality and secure services and networks are fundamental aspects of TDC and our product portfolios, as they are crucial for our customers and Danish society. As such, they are pivotal for our continued commercial success. At global level, various threats and events could potentially undermine the effectiveness of operations or development of IT and/or technology. In addition, threats and events that could potentially improve or compromise the processing, confidentiality, integrity, availability, stability, capacity, performance, continuity or resilience of information technology are becoming more frequent and sophisticated.</p> <p>Multiple threats could potentially trigger the materialisation of operational, IT, and cyber risks, typically stemming from human errors (e.g. information leakage), malicious activity (e.g. malware), natural phenomena (e.g. floods), or system failures (e.g. hardware failures).</p> <p>However, other parameters, such as the complex IT landscape and legacy technology being unable to match the speed and functionality of newer IT software and hardware held by competitors, also affect TDC NET's business. These various factors could all influence the outcome of our ambitious strategies, including the rollout of fibre broadband and 5G technology. Uncertainty regarding the speed with which other competitors are rolling out fibre and 5G, uncertainty regarding the future level of unit costs associated with fibre rollout, and uncertainty regarding publicity if vendors fail to meet reestablishment requirements, are just a few such factors. In addition, uncertainties regarding new technology, legacy technology and technical debt, security by design and by default, as well as the robustness of vendors, outsourcing and vendor setup, scalability, suite vs. breed, inadequate design, or process and service life-cycle management may all impact network quality, security and operations, or also hamper innovation and development.</p>	<p>Any loss of confidentiality, integrity, or availability of information, data, technology assets or damage to our infrastructure or services could impact our operations, customers, society, and/or reputation. More specifically, cyber-attacks could potentially expose critical data and affect business operations and activities that may impact on our customer experience, perceived quality, and brand reputation, which could increase customer churn and overall profitability.</p> <p>As such, any event resulting in being unable to meet our customers' quality and security requirements or expectations could potentially impact on customer retention or otherwise affect our opportunities to ensure growth and remain ahead of our competitors. Therefore, if security and contingency measures fail to prevent or overcome a major incident, TDC NET might incur e.g. regulatory sanctions, contract penalties, significant financial losses, damage to its reputation, with resulting loss of customers, general attraction value and market share.</p> <p>Furthermore, resistance to 5G could potentially result in vandalism, destroyed or damaged equipment or even threats towards employees, which could lead to financial losses, increased costs, downtime or even employee disengagement or staff injuries.</p> <p>However, initiatives and strategic programmes on e.g. technical debt and infrastructure rollout to maintain overall network quality and determine our leading competitive position proceeded according to expectations and plans – some, like the 5G rollout, were even successfully achieved ahead of schedule, leading to TDC NET being the first telecom provider in Scandinavia to offer 5G and cover 90% of the population of Denmark within one year. Such initiatives are certainly providing new opportunities for our customers and Danish society, while strengthening the capacity of our award-winning network on the brink of a new digitalisation age.</p>	<ul style="list-style-type: none"> <li>• Continuous investment in network infrastructure, security, and optimisation of processes and structures</li> <li>• Group-wide crisis management organisation</li> <li>• Successful rollout of technology and infrastructure programmes, including fibre and 5G</li> <li>• Monitoring of customer satisfaction and expectation fulfilment</li> <li>• Close dialogue with Danish authorities and our customers</li> <li>• Vendor quality control</li> <li>• Focus on network resilience through risk management and incident management</li> </ul>



Risk	Potential impact	Mitigation initiatives
<p><b>Transition and transformation factors</b></p> <p>The ongoing transition of TDC Group into two stand-alone companies could turn out to be more wide-ranging when splitting IT systems and establishing new processes and may also demand more resources and investments than previously anticipated. Furthermore, a clear focus on the transition and changes following the split could have negative effects on the core business e.g. customers and employees. There is a possibility of not succeeding in executing an optimised separation due to difficulties in attracting, engaging, and retaining qualified employees, especially within IT. Taking part in the digital transformation is essential to engage customers, increase productivity, and ensure high-quality products in the future landscape.</p> <p>Hence, events or circumstances that could potentially improve, compromise or undermine the effectiveness of TDC NET's execution of the transformation, including objectives, initiatives, processes, capacity, capabilities, and deliverables, are closely monitored.</p> <p>Similarly, the ongoing transformation and modernisation of the mobile network could produce a set of different risks and opportunities that are being closely monitored, controlled, and mitigated by ensuring that the right resources are allocated, and the right knowledge base is maintained and enhanced to safeguard a secure and successful business transformation.</p>	<p>The level of costs could become higher than assumed for splitting TDC Group into Nuuday and TDC NET. However, so far, the costs related to the separation have been kept within the guided bounds.</p> <p>Investment-envelope issues, meaning lacking the required investments to deliver initiatives, as well as top-line impact, i.e. negative impact on revenue from key cost initiatives, and challenges regarding building capabilities and ensuring synergies to avoid missing capabilities after the split, could also have a major impact on TDC NET's ability to execute on transition and transformation initiatives.</p> <p>Furthermore, the fact that many employees are being allocated to execute the transition could also move our focus away from optimising the core business, leading to a lower degree of efficiency. This requires that initiatives are taken to avoid the risk of voluntary churn of key personnel, which in turn could impact capacity, quality, and/or time constraints, ultimately leading to lack of execution power to deliver on our strategic initiatives. For 2020, the focus on attracting and developing digital talent has therefore been maintained throughout.</p> <p>Finally, failure or delay of the digital transformation could also lead to lower productivity and efficiency in comparison with competitors.</p>	<ul style="list-style-type: none"> <li>• Clear focus and engagement from top management and an IT foundation that enables the IT of the future</li> <li>• Focus on ensuring right and efficient levels of investment within the guided bounds</li> <li>• Focus on investing in and attracting the right IT talents &amp; Network Champions</li> <li>• Initiatives to strengthen cooperation and collaboration with educational institutions</li> </ul>

ESG Risk	Management approach	Governance
<p><b>Human rights</b></p> <p>TDC NET's risks relating to human rights concern our direct employees, our customers, and the employees of partners and companies in supply chain; including risk of forced labour, discrimination or harassment and the misuse or loss of personal data, and data breaches.</p>	<p>We strongly support the inalienable rights of all people to live free of discrimination or degrading treatment and to have their right to freedom of association, collective bargaining and (data) privacy.</p> <p>We have in place an array of policies and procedures that support our efforts in this area. These are underpinned by activities including training, awareness raising, auditing, reporting and external certification.</p> <ul style="list-style-type: none"> <li>• Partner Code of Conduct for employees and suppliers, including respect for human rights.</li> <li>• Vendor Management audits and monitoring of strategic suppliers</li> <li>• Group Personnel Policy: 88% of TDC NET employees are covered by collective agreements</li> <li>• Occupational Health and Safety policy and certification to ISO 45001 standard.</li> <li>• Group Security Policies aligned to ISO 27001 standards and 99% of employees completed an e-learning on GDPR and data privacy.</li> </ul>	<p>There are several governance structures that Human Rights governance falls under and each of these committees has a system of monitoring and reporting:</p> <ul style="list-style-type: none"> <li>• Occupational Health and Safety committee of the Board of Directors,</li> <li>• Audit Committee of the Board of Directors,</li> <li>• Executive Management.</li> </ul>
<p><b>Anti-corruption and bribery</b></p> <p>TDC NET have suppliers from across the globe. There is always a risk that bribery or corrupt practices could influence business decisions.</p>	<p>We have a zero-tolerance approach to corruption in any form and do not accept that we as a company or the employees offer or accept any kind of bribery. Our activities in this area revolve around policy development, awareness raising and putting in place resources and training for employees.</p> <ul style="list-style-type: none"> <li>• Whistleblowing policy allows for the anonymous reporting of suspected wrongdoings directly to the TDC Group A/S Audit Committee of the Board of Directors. One report was submitted in 2020.</li> <li>• Gifts and Anti-Corruption Policy commits TDC NET to comply with the United Nations Convention against Corruption, the Merida Convention. This policy is updated annually.</li> <li>• Partner Code of Conduct for suppliers, partner organisations and employees.</li> </ul>	<p>Governance for our environment and climate activities is sits with the Audit Committee of the TDC Group A/S Board of Directors and the Executive Management.</p>
<p><b>Environment and climate</b></p> <p>There are several potential environment and climate risks as a result of our investments, our operations and our supply chain; including issues from the physical impacts of climate change.</p>	<p>Our commitment to the UN Business Ambition for 1.5°C Pledge and the UN Global Compact principles anchors our work on environmental issues. These activities are captured in our policies, certifications, programmes, including:</p> <ul style="list-style-type: none"> <li>• Sustainability Policy</li> <li>• ISO 14001 certification for all our locations and 2,600 employees</li> <li>• The CO2 Forum governance body and working group work to deliver our CO2 neutral target through energy efficiency initiatives and investments and detailed emissions reporting</li> <li>• Submitting Scope 1, 2, and 3 targets to the SBTi initiative in 2021</li> <li>• Circular economy activities in operations and product development, including supplier engagement activities</li> <li>• Climate related assessments and mitigation activities within our network and facilities</li> </ul>	<p>Governance for anti-corruption and bribery is sits with the Audit Committee of the TDC Group A/S Board of Directors and the Executive Management.</p>

## Environmental data

Energy & Emissions Intensity Ratio	2020	2019	2018
Energy intensity (MWh of electrical energy / TB of data usage)	0.010	0.011	0.012
Emissions intensity (tCO <sub>2</sub> e of Scope 1 and 2 market-based emissions / TB of data usage)	0.0039	0.0043	0.0052

Energy	2020	2019	2018
Electricity (MWh)	185,441	184,076	189,860
Heat (MWh)	7,461	7,299	7,247
Transport (MWh)	28,844	29,136	29,160
<b>Total Energy Consumption (MWh)</b>	<b>221,747</b>	<b>220,511</b>	<b>226,267</b>

Emissions	2020	2019	2018
Scope 1 (metric tons CO <sub>2</sub> e)	7,244	7,260	7,318
Scope 2 location-based (metric tons CO <sub>2</sub> e)	25,611	27,890	39,241
Scope 2 market-based (metric tons CO <sub>2</sub> e)	67,891	67,466	74,745
Scope 3 (metric tons CO <sub>2</sub> e)	99,321	94,288	n/a
<b>Total Scope 1, 2 &amp; 3 market-based emissions (metric tons CO<sub>2</sub>e)</b>	<b>174,456</b>	<b>169,014</b>	<b>82,063</b>

Scope 3 by category	2020	2019
1: Purchased goods and services & 2: Capital Goods (metric tons of CO <sub>2</sub> e)	84,007	75,639
3: Fuel and energy-related activities (metric tons of CO <sub>2</sub> e)	9,769	10,354
4: Upstream transportation and distribution (metric tons of CO <sub>2</sub> e)	3,388	3,075
5: Waste generated in operations (metric tons of CO <sub>2</sub> e)	22	14
6: Business travel (metric tons of CO <sub>2</sub> e)	107	511
7: Employee commuting (metric tons of CO <sub>2</sub> e)	995	4,046
11: Use of sold products (Direct) (metric tons of CO <sub>2</sub> e)	1,030	648
12: End-of-life treatment of sold products (metric tons of CO <sub>2</sub> e)	4	-
<b>Total Scope 3 emissions (metric tons CO<sub>2</sub>e)</b>	<b>99,321</b>	<b>94,288</b>

Waste	2020
Non-Hazardous - Landfill (metric tons)	22
Non-Hazardous - Composting (metric tons)	20
Non-Hazardous- Recycling (metric tons)	1,014
Non-Hazardous - Energy Recovery & Incineration (metric tons)	520
<b>Total Non-Hazardous waste (metric tons)</b>	<b>1,576</b>
Hazardous - Landfill (metric tons)	-
Hazardous - Composting (metric tons)	-
Hazardous - Recycling (metric tons)	8.1
Hazardous - Energy Recovery & Incineration (metric tons)	0.5
Hazardous - Other, incl. recycling and energy recovery (metric tons)	0.1
<b>Total Hazardous waste (metric tons)</b>	<b>9</b>
<b>Total waste disposed (metric tons)</b>	<b>1,585</b>
Waste recycled (%)	65

Note regarding environmental data: Please see our TDC NET ESG Data Accounting Principles on our corporate website for an explanation of the calculations and boundaries of the data presented here.



## HR and occupational health & safety data

Occupational health & safety	2020	2019	2018
Fatalities (Number)	0	0	0
With lost time (Number)	31	25	24
Without lost time (Number)	48	40	45
<b>Total (Number)</b>	<b>79</b>	<b>65</b>	<b>69</b>
Days of absence (Number)	351	289	131
Injury incidence (Lost time injuries per 10,000 employees)	116	-	-
Rate of fatalities (per 1,000,000 hours)	0	0	0
Rate of High consequence work related injuries (per 1,000,000 hours)	7	-	-
Rate of work-related injuries (per 1,000,000 hours)	18	-	-
Rate of near miss accidents (per 1,000,000 hours)	15	-	-

Note regarding occupational health & safety data: Please see our TDC NET ESG Data Accounting Principles on our corporate website for an explanation of the calculations and boundaries of the data presented here.

Gender Representation - Board of Directors	TDC NET	Dansk Kabel TV
Men (Number)	3	4
Women (Number)	0	0
<b>Total (Number)</b>	<b>3</b>	<b>4</b>
Men (%)	100	100
Women (%)	0	0

Employees by Gender	2020
Men (Number)	2,181
Women (Number)	495
Men (%)	82
Women (%)	18

Employees by contract type	2020
Employees on permanent contracts - Male (Number)	2,173
Employees on permanent contracts - Female (Number)	489
Employees on temporary contracts - Male (Number)	8
Employees on temporary contracts - Female (Number)	6

Employees by employment type	2020
Employees in full-time employment - Male (Number)	2,152
Employees in full-time employment - Female (Number)	459
Employees in part-time employment - Male (Number)	29
Employees in part-time employment - Female (Number)	36

Employees by age group	2020
Employees under 30 years old (%)	9
Employees 30 - 50 years old (%)	38
Employees over 50 years old (%)	53

Employees by age group	2020
Employees under 30 years old (Number)	243
Employees 30 - 50 years old (Number)	1,026
Employees over 50 years old (Number)	1,407

Employees by employment category	2020
Manager - Male (Number)	179
Manager - Female (Number)	40
Non-Manager - Male (Number)	2,002
Non-Manager - Female (Number)	455

Employees by employment category	2020
Manager - Male (%)	82
Manager - Female (%)	18
Non-Manager - Male (%)	81
Non-Manager - Female (%)	19

## Employee performance review – by gender &amp; employee category

2020

Percentage of appraisal – managers/supervisors (male) (%)	94
Percentage of appraisal – managers/supervisors (female) (%)	100
Percentage of appraisal – non-management (male) (%)	96
Percentage of appraisal – non-management (female) (%)	99

## Employee training

2020

Average training hours (Hours per FTE)	5.1
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## Employee Statistics - other

2020

Fathers and non-birth mothers taking parental leave (%)	68
Number of different nationalities (Number)	24
Age of oldest employee (Years)	71
Age of youngest employee (Years)	16

Note regarding HR data: Please see our TDC NET ESG Data Accounting Principles on our corporate website for an explanation of the calculations and boundaries of the data presented here.

## Digital Denmark

2020

## Digital Citizenship: WiFive

Pupils who have tested their skills from start of programme to end 2020 (Number)	99,205
Percentage of total number of pupils in grade 2-6 in Denmark (%)	29.9
Schools that have been using WiFive (Number)	768
Total number of schools using WiFive in Denmark (%)	34.6
Teachers that have been using WiFive (Number)	1,922

## GDPR &amp; Security e-learning

Employees completing a GDPR e-learning (%)	99
Employees completing security e-learning (%)	77

## Other metrics

2020

2019

2018

Other metrics	2020	2019	2018
<b>Data transported</b>			
Data transported <sup>1</sup> (TB data output/year)	19,110,816	17,234,424	15,661,566
<b>Whistleblower reports to TDC Group A/S Board of Directors</b>			
Number of reports submitted to the whistleblower system (Number)	1	0	0
<b>ESG Reporting (TDC Group on behalf of all three companies)</b>			
GRESB Infrastructure ESG Score (Number)	65	61	-
EcoVadis Score (Number)	65	62	55
<b>Engagement with Society</b>			
Online meeting arranged on the online platform SnakSammen.dk as part of the partnership between Danish Red Cross and TDC NET (Number)	2,642	-	-

<sup>1</sup> The traffic reported is the average output traffic measured at the periphery of the network over a year, includes multicast traffic data.

