Sustainability Report 2022

Enabling the green digital transition

tdc net

Content

Explore more in our
Annual Report 2022 →

This report describes TDC NET's compliance with sections 99a, 99b and 99d in the Danish Financial Statements Act.

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Cover photo: © Better Energy

The big picture

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Letter from the CEO

Leading the way for the green digital transition

Our position as Denmark's largest open-access connectivity provider and owner of critical, digital infrastructure, comes with an obligation to lead the way in enabling a sustainable future. We go first by providing a strong, futureproof and nationwide network with no negative climate and environmental impact.

In 2019, the United Nations called for a decade of action to meet its sustainable development goals. Our largest contribution is to provide a reliable, resilient, secure, and sustainable network that enables continuing digital development.

In addition to rolling out fibre to approximately one million households by 2025, we invest in innovative solutions based mainly on 5G technology, which holds tremendous opportunities for society when connected with Artificial Intelligence, Internet-of-Things (IoT), Virtual Reality and beyond.

"As Denmark's leading digital infrastructure provider, we take our responsibility for the climate crisis very seriously. We are the first company in the world with a SBTi validated 2030 net-zero target. Building on our strong digital infrastructure and technological solutions, we wish to enable the green transition in Denmark. For the benefit of our customers, partners and society at large."

First in the world with validated targets to become net-zero by 2030

In 2022, we were the first company in the world to have validated science-based targets for becoming net-zero in our own operations by 2028 and across our full value chain by 2030.

We will achieve these targets through realising three overall initiatives. We will accelerate our network energy efficiency by decommissioning legacy technology and optimising driving patterns for our service cars. Furthermore, we are changing our 1,500 cars – one of Denmark's largest fleets – to electrical vehicles and replacing the natural gas used in our facilities with district heating and heat pumps. In addition, we have established four new solar parks in Denmark, to cover approximately 60% of our annual energy consumption.

Our procurement activities constitute 80% of our Scope 3 emissions. We have thoroughly mapped and closely collaborate with our suppliers to fuel their own climate journey – in support of ours – either by committing to the Science-Based Target initiative or by data verification from EcoVadis.

Sharing our learnings
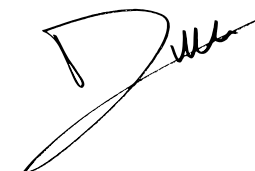
As frontrunners, we want to inspire others. We are a founding member of the European Green Digital Coalition, a consortium of ICT companies seeking to support green and digital transformation. Together, we are committed to investing in developing digital solutions with net positive impacts.

A safe and inclusive workplace

Our ambitions are for TDC NET to be one of the safest places to work and to build a culture that fosters diversity and inclusion. In 2022, we defined diversity and inclusion as areas of particular importance to us, and we will start implementing initiatives during 2023.

We would like to thank all our employees and business partners for their support throughout 2022 and their ongoing commitment to deliver on our purpose: We connect Denmark. For everyone.

Michel Jumeau
CEO

2022 in brief

It has been our first year as a stand-alone company. In 2022, we delivered on our promise to connect Denmark for everyone by maintaining and expanding our digital infrastructure, combined with a strong focus on improving our customer experience. We were the first company in the world to obtain validation for our targets[1] to become net-zero across our full value chain by 2030 – laying the foundation for enabling the green digital transition of Denmark.

Scope 1 and 2
(CO_2)

↓**13%**

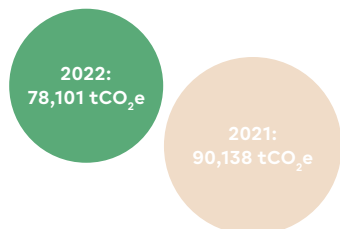Reduced emissions from our own operations by 13% compared with 2021 and by 4% compared with 2020

2022: 78,101 tCO_2e

2021: 90,138 tCO_2e

Scope 3
(CO_2)

↓**11%**

Reduced emissions from our value chain by 11% compared with 2021 and by 17% compared with 2020

2022: 100,215 tCO_2e

2021: 112,078 tCO_2e
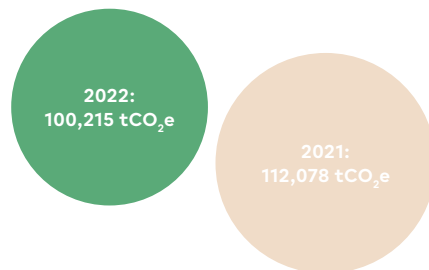
Results

Revenue
(Development)

(0.5)%

year-over-year due to a decline in legacy products

2022	DKK 6,639m
2021	DKK 6,674m

EBITDA
(Development)

0.5%

resulting in DKK 4,520m of full year EBITDA 2022

2022	DKK 4,520m
2021	DKK 4,498m

OPEX
(Development)

(0.1)%

compared with 2021 despite increased electricity prices

2022	DKK -1,857m
2021	DKK -1,858m

CAPEX
(Development)

3.6%

year-over-year driven mainly by investments in futureproof product offerings

2022	DKK -3,248m
2021	DKK -3,134m

[1] Source: Science Based Targets initiative: → **Net-Zero Case Study – TDC NET – Science Based Targets**

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2022 in brief

Highlights 2022

Photo: © Better Energy

Changes in the executive committee
In 2022, we entered a new phase in our separation from TDC Holding. Consequently, Michel Jumeau and Henrik Brandt joined the executive committee.

Science-based targets
We proudly announced that TDC NET was the first company worldwide to obtain validation of its ambitious target for being net-zero across its value chain by 2030.

Danish mobile customers are generally most satisfied with TDC NET's network
We are also extra pleased to see that according to a survey by Telepristjek, Danish customers are generally most satisfied with the service providers that are using our network.

Our fourth solar park now delivers green electricity
In 2021, we made a power purchase agreement (PPA) with Better Energy to ensure the establishment of four new solar parks. During 2022, we activated all four solar parks, which will supply 140 GWh of green electricity in 2023, covering at least 60% of our total energy consumption.

Our 5G network brought TV viewers closer to the Tour de France riders
During the Tour de France race in Denmark we dedicated 10% of our 5G network for TV 2 live broadcasts. That was a major milestone for us, highlighting our position as a supplier of critical infrastructure in Denmark and that, as a first mover, we test new ideas on our resilient and high-performing network.

Our business

Our business model

We connect Denmark. For everyone.

TDC NET is an open-access connectivity provider of digital infrastructure. We build, own and operate the next generation of Denmark's digital infrastructure. Denmark has a leading position within digitalisation across the EU, and TDC NET plays an important role in enabling society's transition to a green and sustainable future.

We enable society's green digital transition through our resilient and stable 5G mobile network and fixed connections

We procure network equipment from manufactures and sub-contractors e.g. mobile antennas and fibre cables

Core business

We build and maintain high-speed mobile network and fixed connections.

We sell, and provide service providers with, access to TDC NET's network.

Service providers sell network access and services to end users, who use the infrastructure provided by TDC NET.

We install and maintain infrastructure at end users.

Our business model

Assets

Our people
- 2,957 employees
- 1,159 field technicians
- 50 cybersecurity experts
- 19% women/ 81% men in leadership

Infrastructure assets
- 4,190 mobile sites in Denmark
- 20,250 km transport fibre network in Denmark

Financial assets
- EUR 500m in sustainability-linked bonds
- EUR 3.3bn in loans

Suppliers and partners
- 3,559 suppliers
- Partnership with Ericsson on 5G Innovation Hub
- Member of European Green Digital Coalition
- Partnership with Joint Alliance for CSR (JAC)

Climate commitment
- Four solar parks cover 60% of our energy consumption with renewable electricity

Value created

TDC NET as an employer
- High employee loyalty: In our annual employee engagement survey, 81% of respondents would like to be employed at TDC NET in two years' time
- 74% completed voluntary security training
- 70% completed GDPR training

Connecting Denmark
- DKK 3bn invested in new infrastructure
- Largest broadband footprint in Denmark, covering 95% of all residential addresses
- 4G and 5G network with 99% national coverage

Financial performance
- Revenue: DKK 6,639m
- EBITDA: DKK 4,520m
- EBITDA growth: 0.5%
- Capital expenditures: DKK -3,248m

Responsible supply chain
- New Supplier Code of Conduct
- 2 JAC audits

Reduced environmental impact
- 12% reduction in total CO_2 emissions compared with 2021
- Scopes 1 and 2: 13% reduction compared with 2021
- Scope 3: 11% reduction compared with 2021
- 888 metric tonnes waste recycled

Value shared

- 2,957 employees paying taxes

- In a survey by Telepristjek, Danish mobile customers are generally most satisfied with the service providers that are using our network

- DKK 402m paid in income tax

- 103 factories in TDC NET's supply chain with on-site JAC audits

- 23,900 tonnes less CO_2 compared with 2021
- 35 GWh of solar power added to the Danish grid, corresponding to the average annual electricity consumption of 21,875 Danes

Our strategy and priorities

We enable Denmark's position as a world leader within green, digital infrastructure. Our purpose, to connect Denmark for everyone by building and operating a nationwide communications infrastructure, is reflected in two core pillars: providing the best mobile network and the fastest fixed connections.

In 2022, independent tests[1] recognised TDC NET as the undisputed leader in mobile network quality in Denmark – both in terms of experience and coverage. Based on our strong delivery on operational excellence, we delivered prioritised TV streaming across the mobile networks to a national broadcaster during Tour de France. Moreover, we expanded our high-speed footprint through ambitious fibre investments, rolling out fibre to an additional 109k addresses, and speeds of up to 2,500 Mbps can be delivered in select areas.

We passed additional major milestones in upgrading and expanding both our mobile and fixed networks. This strong foundation

will now underpin the next phase of our strategic journey by firmly placing customers at the centre of all our activities.

Lastly, we are well on our way with an optimised customer journey. At the beginning of 2022, we relaunched our Network Champions strategy and launched the Customer Experience Programme, which prioritises fibre to both businesses and private customers to support the establishment of the optimal customer journey. Initially, the focus has been on shortening the delivery time, increasing delivery precision and improving our 'first-time right'. This will be further improved through order establishment and tracking.

[1] Source: Telepristjek.dk and Teknologisk Institut

Best mobile network

Maintain our market leading position by providing the best mobile network experience in Denmark

Fastest fixed connections

Increase footprint for high-speed fixed connections and maintain market-leading position

Great customer experience

Be recognised for delivering value for both customers and end-customers through seamless customer journeys and experiences

Network champions

Integrate sustainability at the core of our company, lead the transition to a more sustainable future for the sector and aim to be recognised as one of the most attractive employers

Operational excellence

Simplify our processes and interface to enable consistent delivery of excellent customer experiences

Sustainability at TDC NET

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Materiality assessment

Identifying our most material issues

To identify the most material issues for inclusion in its sustainability strategy and reporting, TDC NET applies best practice sustainability reporting standards such as the Global Reporting Initiative (GRI).

Our materiality approach includes the principle of double materiality, identifying environmental, social and economic related issues with the largest potential impact on TDC NET's business as well as issues where TDC NET can mitigate a potential negative impact on society.
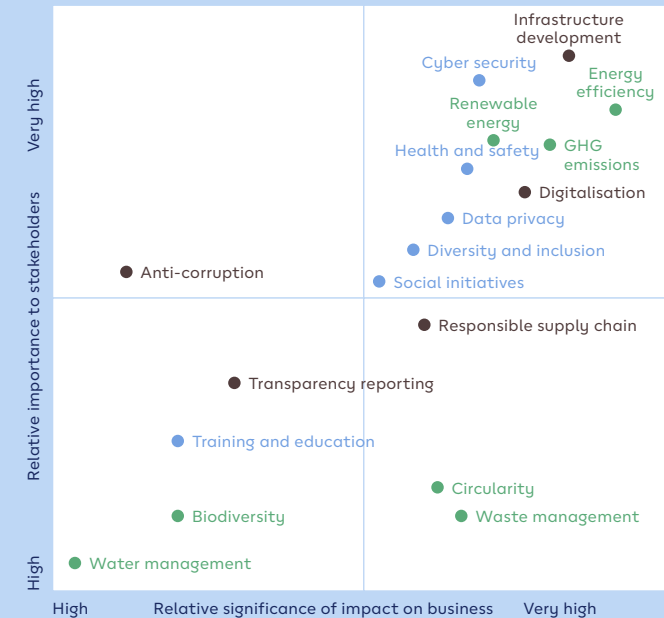
Materiality assessment and materiality matrix

Inputs for materiality assessment

- Investor interaction
- Management interviews
- Board interviews
- Regulatory analysis
- Trends research
- Supplier engagement
- Society perspective
- Executive workshops

↓

Results from materiality assessment (average of scores)

- Environmental
- Social
- Governance

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Materiality process

TDC NET's materiality assessment is conducted in depth every third year, most recently in 2021. However, annual revision ensures the continued relevance of the issues.

The material issues are identified and evaluated through a comprehensive process based on internal and external input.

Interviews and workshops were conducted with key internal stakeholders, including executive management, board members and selected employees. Stakeholder insights were combined with analyses of external reports, global sustainability trends and peer sustainability strategies.

The outcome of the assessment is shown in the materiality matrix on the previous page. The upper right quadrant of the matrix covers issues most relevant to our stakeholders and with the greatest possible impact on our business. The relative significance of the impact on our business is calculated as an average of stakeholder input based on the principle of double materiality. This means topics scored high on impact (horizontal axis) indicate a large potential impact on our business and/or an opportunity for TDC NET to mitigate an impact on society. While business risks are linked to energy consumption and greenhouse-gas emissions, digital infrastructure plays a central role in enabling the green transition.

Addressing the most material issues
TDC NET's sustainability strategy comprises five strategic priority areas, addressing the most material issues for TDC NET.

ESG area	Most material issues	Strategic priority areas
● **Environment**	Energy efficiency →	**Climate action**
	GHG emissions →	
	Renewable energy →	
● **Social**	Cyber security →	**Digital trust**
	Data privacy →	
	Diversity and inclusion →	**Diversity and inclusion**
	Health and safety →	**Health and safety**
	Social initiatives →	Cross-cutting theme. Social initiatives related to our priority areas.
● **Governance**	Digitalisation →	**Futureproof digital infrastructure**
	Infrastructure development →	

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Sustainability strategy

Our direction towards 2025

Our strategy sets the strategic direction for our sustainability efforts towards 2025.

The strategy is based on our materiality assessment and considers our strategic business priorities, values and core competencies. It comprises the following five priority areas:

- Futureproof digital infrastructure
- Climate action
- Health and safety
- Diversity and inclusion
- Digital trust

Network champions
Sustainability as a core element of the corporate strategy

Climate action
Lead the race to achieve zero climate impact from our business

Health and safety
Become one of the safest places to work

Diversity and inclusion
Ensure equal opportunities and an inclusive culture

Digital trust
Protect the network, personal data and privacy rights

Futureproof digital infrastructure
Build reliable and resilient digital infrastructure

For each priority area, ambitions, targets and initiatives are defined. Through close cross-enterprise collaboration, we focus on strategic progress by delivering clear results. Decision making is anchored with the Executive Leadership Team and Board of Directors.

Supporting the UN Sustainable Development Goals
As a participant of the UN Global Compact since 2009, we are committed to operating in a way that contributes to achieving the UN Sustainable Development Goals (SDGs), i.e. maximise our positive impact and reduce our negative impact on the environment and society. Relevant SDGs are identified for each of the five priority areas of our sustainability strategy.

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Our approach

Our approach follows six steps, from defining a situation to execution and evaluation.

- Outlining situation and targets to establish a solid baseline.

- Defining topics and initiatives in close collaboration with the business.

- Developing roadmaps to reach the targets. Roadmaps and key initiatives are subject to approval by the Executive Leadership Team and the Board of Directors.

- Executing strategy, accompanied by the relevant business units to integrate the initiatives in day-to-day operations.

- Tracking and reporting on progress to ensure alignment with targets.

- Sharing consolidated quarterly reporting with the executive management in internal governance forums, where evaluation and adjustments are decided.

Our sustainability governance model is described on **page 35 →**

Outlook

In 2023, a new corporate strategy will be introduced, in which sustainability will remain integrated. As we enable the green digital transition of Denmark, sustainability and environment, social and governance (ESG) performance will continue to be further integrated in our company and activities in the coming years.

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Our sustainability priorities towards 2025

Futureproof digital infrastructure

Deliver Denmark's most reliable and resilient digital infrastructure

Targets

Towards one million homes to be passed by fibre by 2025 and nationwide 5G coverage.
Be recognised for Denmark's best mobile network.

2022 performance

- At end-year TDC NET passed 607k addresses in Denmark with fibre broadband. In total, 61% of the 2025 target has been achieved.
- 99% of Denmark is covered geographically by our 5G mobile network.
- Denmark's best mobile network.

SDG 9
Build resilient and sustainable infrastructure.

9.1 & 9.4

Climate action

Lead the race to achieve zero climate impact from our business

Targets

100% renewable energy in operations by 2028.
Net-zero CO_2 on Scopes 1 and 2 by 2028 and Scopes 1, 2 and 3 by 2030.

2022 performance

- 4 out of 4 solar parks in use, covering 60% of our energy consumption in 2023.
- 13% reduction in Scopes 1 and 2 emissions driven by investment in renewable energy.
- 11% reduction in Scope 3 emissions driven by decreased spend and increased inflation.

SDGs 7 & 13
Ensure affordable and clean energy & climate action.

7.2 & 7.3

Health and safety

Become one of the safest places to work by 2025

Targets

Reduce injuries by 50% in 2025 compared with 2019.
Aim for vision zero and the mindset that near-misses provide valuable learnings and that every injury can be prevented.

2022 performance

- Fewer registered lost time injuries – from 39 in 2021 to 28 in 2022.
- Increase in registered near-miss reports, up by 451% compared with 2021.
- 0 fatalities.

SDG 8
Promote a safe and secure working environment for all workers.

8.8

Diversity and inclusion

Ensure inclusive culture, equal opportunities and diverse workforce

Targets

Move towards a more balanced gender distribution, targeting a minimum of 30% women in leadership by 2025.

2022 performance

- 19% women in leadership positions, compared with 23% in 2021.
- Developed D&I strategy for roll-out in 2023.
- Entered partnerships to increase focus on women in technology.

SDG 5
Ensure equal opportunities for leadership at all levels.

5.5

Digital trust

Protect network integrity, personal data and the right to privacy

Targets

All employees complete a GDPR e-learning course.
Evaluate data requests in governance forum.

2022 performance

- 70% of employees completed a GDPR e-learning course.
- 74% of employees completed security training.

SDGs 12 & 16
Promote responsible consumption and justice in societies.

Futureproof digital infrastructure

Delivering Denmark's digital infrastructure

Ambition:
To deliver Denmark's most reliable and resilient infrastructure to enable the green transition of society

Targets:
- Towards one million homes to be passed by fibre by 2025 and nationwide 5G coverage

- Be recognised for Denmark's best mobile network

Our approach to futureproofing our digital infrastructure
As Denmark's largest open-access connectivity provider, our ambition is to build and operate the most reliable, resilient and futureproof telecommunications network, enabling the green digital transition of our society.

We invest in fibre roll-out and 5G coverage to provide Denmark with ultrafast broadband and mobile networks to accelerate digitalisation and energy-efficient growth.

2022 results and performance
In 2022, we invested 49% of our revenue in digital infrastructure. We expanded our fibre footprint, now comprising 607k addresses in total, further growing our high-speed reach and providing Danish households with futureproof solutions and high network security.

For the seventh year in a row, we provided Denmark's best mobile network. In 2022, the Danish Technological Institute concluded that TDC NET's 4,190 mobile sites throughout Denmark deliver the best mobile network experience. At national level, TDC NET has a 90% error-free user experience, which is 24 percentage points higher than other mobile networks.[1] → See https://tdcnet.dk/mobilnet/

Fibre is an energy-efficient solution
By rolling out fibre to 109k addresses in 2022, our field service and delivery team expanded our futureproof fixed network solution, which is also more energy-efficient compared with legacy technology. A recent study shows that fibre requires 40-60% less energy compared with other fixed network solutions such as copper.[2]

[1] Source: **https://tdcnet.dk/media/vcknor11/måling-af-mobilnetværksoplevelse-2022.pdf**
[2] Source: IDC; GSMA; Ovum; BCG analysis; BCG case experience

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Outlook
Towards 2025, we continue to strengthen the nationwide telecommunications network to facilitate further digitalisation of society. Our efforts include rolling out fibre to one million addresses.

We will continue to deliver Denmark's best mobile network and strengthen innovation of solutions based on 5G technologies, AI and IoT – with the purpose of progressing the digitalisation of society. Examples cover intelligent rail signalling services, robust emergency services communication, and drone usage to optimise agricultural management, hazardous inspections etc.

SDG 9 in action
Our ongoing efforts to futureproof Denmark's digital infrastructure support the following targets:

- 9.1 Develop quality, reliable, sustainable and resilient infrastructure

  - 2022 action: Rolled out fibre to 109k addresses and achieved 99% national coverage with our 4G and 5G network

- 9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes

  - 2022 action: Expanded our fibre footprint to comprise 607k addresses in total

Enabling a better experience for the Tour de France viewers

When Tour de France visited Denmark in summer 2022, TDC NET played a central role in getting TV viewers closer to the riders. In collaboration with the Danish broadcasting company TV 2, we tested our 5G network resilience to deliver high-quality, high-speed live feeds from areas where many people were using their private mobile devices to stream the Tour de France event. For such events, many people typically gather at small locations and since the network is extremely busy, users cannot expect high bandwidths.

How did we ensure a strong transmission?
In practice it meant up to 10% of the capacity on our mobile sites in the relevant places were always reserved for TV 2. This allowed TV 2 to transmit live images of a guaranteed quality. During the intervals when TV 2 was not using the bandwidth, it was available to other users.

Photo: © TV2

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Climate action

Taking significant steps towards net-zero

Ambition:
To lead the race to achieve zero climate impact from our business

Targets:
- 100% renewable energy in operations by 2028

- Net-zero CO_2 on Scopes 1 and 2 by 2028 and Scopes 1, 2 and 3 by 2030

SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Our approach to climate action
At TDC NET, we take our responsibility for solving the climate crisis very seriously. We believe that companies - like us - which have the best conditions to reach net-zero as fast as possible should take the lead on climate action. Not only are we working diligently to reach our net-zero target across our full value chain by 2030, our digital infrastructure and technological solutions are also enablers for the green digital transition of Denmark.

Our net-zero target is validated
We are proud to be the first company in the world with science-based, validated targets aligned with the latest climate science. In 2022, the Science Based Targets initiative (SBTi) validated our targets of becoming net-zero in our own operations by 2028 and across our entire value chain by 2030. By becoming net-zero, we are taking our share of the responsibility and hope we can inspire other companies to do the same.

Photo: © Better Energy

2022 results and performance

In 2022, total carbon emissions across the entire value chain were reduced by 12% (23,900 tonnes CO_2e) which was in line with our expectations. This achievement was driven by investment in renewable electricity, decreased spend and increased inflation. Energy and carbon intensity figures as well as waste management figures continued to improve.

Scope 1, 2 and 3 results

Our Scope 1 and 2 emissions decreased by 13% compared to 2021 (12,037 tonnes CO_2e) and 4% compared to 2020 (2,965 tonnes CO_2e)[1]. The development was driven by our investment in renewable electricity. However, we did not meet our 10% reduction target compared with our 2020 baseline, due to an increase in our oil reserve to be prepared for brownouts and delays in our project to switch legacy equipment to more energy-efficient solutions. We are confident that we will reach our 50% reduction target by the end of 2023.

TDC NET has one of Denmark's largetst vehicle fleets, used by our field technicians. Via advanced automated route planning, project Greenforce aims to reduce the total number of kilometres driven by up to 25% by 2025. This will help us reduce our Scope 1 emissions.

We reduced Scope 3 emissions by 11% (11,863 tonnes CO_2e) compared with 2021 and by 17% (20,017 tonnes CO_2e) compared with our 2020 baseline.[2] This was driven mainly by decreased spend and increased inflation, and a very strong focus on lowering our suppliers' emissions through our supplier engagement programme.

**Total carbon emissions
(Scopes 1, 2 and 3 - market-based)**
metric tonnes CO_2 e

	2020	2021	2022	2030
Total	201,299	202,216	178,316	0
Scope 3	120,232	112,078	100,215	
Scope 2	72,825	81,873	68,873	
Scope 1	8,241	8,265	9,228	
	Performance			Target

● Scope 1   ● Scope 2   ○ Scope 3

Carbon emission intensity
(tCO_2e of Scopes 1 and 2 market-based emissions / TB of data usage)

2019	2020	2021	2022	2030
0.0051	0.0047	0.0045	0.0036	0
Performance				Target

We report our emissions in line with the World Business Council for Sustainable Development GHG Protocol methodology, which classes emissions in three groups: Scopes 1, 2 and 3. Our Scope 1 emissions result from 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 from the electricity we purchase to power our operations, and heat from district heating. Our Scope 3 emissions are generated in the upstream and downstream value chain.

Energy and carbon intensity

Our energy intensity declined by 6% compared with 2021, while our network carried 8% more data. Our carbon emissions intensity also declined, down by 20%. We see these achievements as proof that network energy optimisation pays off.

Waste management

In 2022, our total waste volume decreased by 4.7%. We recycled 70% of total waste generated. 28.5% of total waste went to energy recovery and incineration, and 0.2% of total waste to landfill. We will maintain our focus on recycling in coming years.

[1] For our Scope 2, we have made a minor adjustment to our 2019-2022 numbers, based on adjustments in the split of electricity use between TDC NET and Nuuday.
[2] In 2022, we recalculated our Scope 3 baseline in line with our accounting principles. This is done every third year to ensure data accuracy.

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Outlook

2023 will be the first year when we will benefit from the full-year effect of receiving renewable electricity from our four solar parks. We expect this to result in a CO$_2$ reduction of 50% compared with our 2020 baseline.

At TDC NET, we have one of Denmark's largest car fleets, comprising about 1,500 vehicles. Our technicians drive approximately 80,000 kilometres every day, which corresponds to two full trips around the world. Carbon emissions related to our fleet are a large proportion of our direct emissions. The electrification of our car fleet is therefore a key initiative in reaching our net-zero target. In 2023, we will initiate the electrification of our fleet as we aim to transition our entire fleet to electricity by 2028.

As part of project Greenforce, we have started testing the use of quantum computers to handle our complex optimisation problems and large amounts of data. We are partnering with KPMG to gain more expertise on how to use quantum technology to reduce driving and CO$_2$ emissions, as quantum computers use less electricity than traditional energy-intensive computers. We will be exploring the opportunities throughout 2023.

Four solar parks delivering green energy

In 2022, our power purchase agreement with Better Energy was activated with the opening of planned solar parks. The last park opened in January, 2023. The four solar parks will supply 140 GWh of renewable electricity, which will cover at least 60% of TDC NET's total energy consumption.

"TDC NET is showing climate leadership through climate action. Through its power purchase agreement, TDC NET is making a concrete difference by improving the energy mix in Denmark. We entered into the agreement in 2021. A year later four solar parks are producing green electricity - an impact that matters."

– Rasmus Kjær, CEO of Better Energy

"At TDC NET, we have a responsibility to promote the green transition. Electricity makes up the majority of our total energy consumption, and this is partly due to our mobile sites, which need the electricity to provide coverage. To put this into perspective, our digital infrastructure uses half a per cent of Denmark's electricity consumption. Therefore, it is crucial that we reduce and convert our consumption to renewable electricity."

– Peter Søndergaard Andersen, Senior Director, Sustainability at TDC NET

Photo: © Better Energy

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SDGs 7 and 13 in action

As a frontrunner within climate action,
we aim to inspire others to follow. Our climate efforts support the following targets:

- 7.2 Increase substantially the share of renewable energy in the global energy mix by 2030 (share of renewable energy)

  - 2022 action: Increased share of renewable electricity from 0% in 2021 to 16.8% in 2022.

- 7.3 Double the global rate of improvement in energy efficiency by 2030 (data transport per kWh)

  - 2022 action: Reduced energy intensity by 6% compared with 2021

Decomissioning legacy technology

TDC NET has connected Denmark for more than 140 years, and we want to continue to do so in the future. We therefore invest in building futureproof digital infrastructure. As part of this transition, we are running a large programme to substitute old technology with new, more reliable, secure and energy-efficient technology.

The best kWh for the environment is the one we never use. Therefore, we focus on being as energy-efficient as possible. Decommissioning legacy technology is a large operation as we aim to create the best customer journey.

We have developed a new product that can transfer our 250k customers to our new technology platforms. This migration includes Danish critical infrastructure and international voice traffic.

During 2022, we decided to accelerate the programme, given the energy crisis in Europe. Together with the rest of society, we felt it was our responsibility to save as much energy as possible – as fast as possible. We successfully completed the first-phase migration and expect significant energy reductions in 2023.

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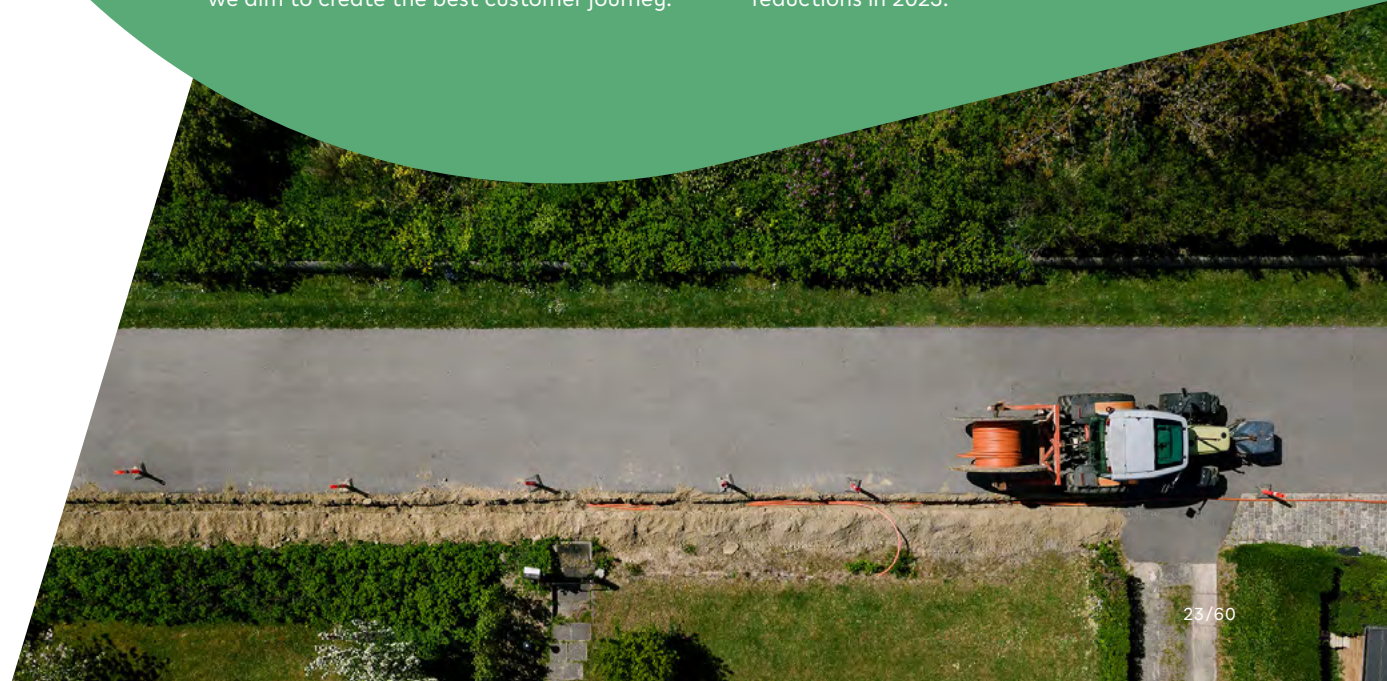
Our transition pathway to net-zero

Examples of initiatives

- Own operations (Scopes 1 and 2)
- Rest of value chain (Scope 3)

Energy efficiency initiatives
Invest in the most energy-efficient technology and reduce network energy consumption.

Renewable energy
Cover 100% of energy consumption from high impact renewable energy sources.

Green fleet transition
Optimise technician routes to reduce kilometres travelled by up to 25% and convert our fleet to electric cars and vans.

Surplus heat utilisation
Utilise surplus heat from data centres and equipment with e.g. heat pumps.

tCO_2e

	2020	2021	2022
Total	201,299	202,216	178,316
Own operations (Scopes 1 and 2)	81,066	90,138	78,101
Rest of value chain (Scope 3)	120,232	112,078	100,215

Near-term target
Reduce emissions from our own operations (Scopes 1 and 2) by 50% by the end of 2023

Net-zero
in the entire value chain by 2030

2020   2021   2022   2023   2024   2025   2026   2027   2028   2029   2030
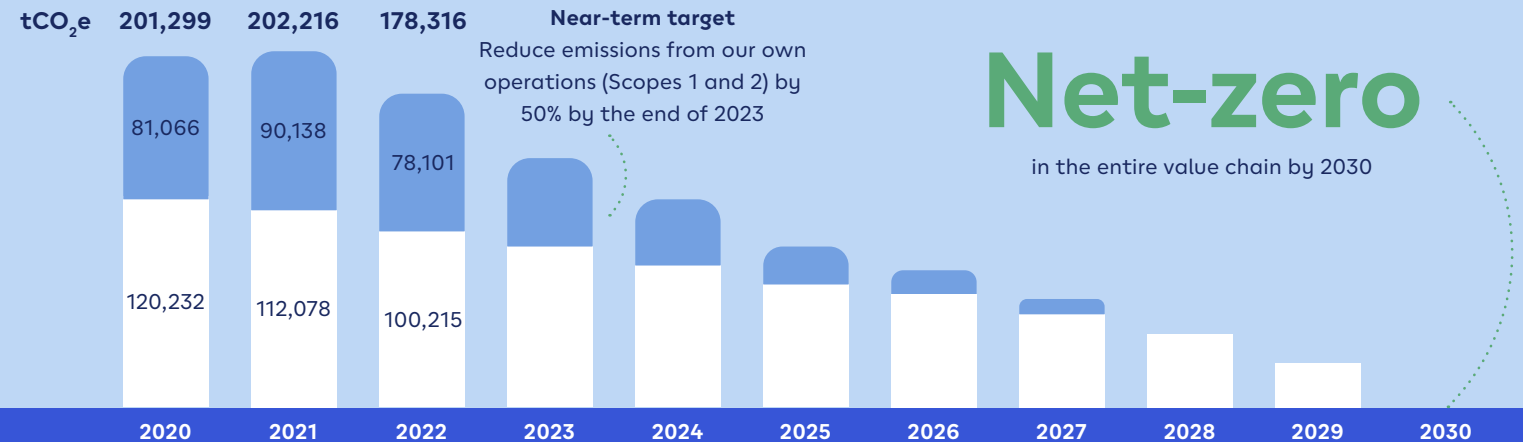
Supplier engagement
Engage with top suppliers to set climate targets and provide data transparency

Avoid and offset
Promote solutions to avoid emissions and follow the development of carbon removal projects

Targeting annual emissions reductions

TDC NET's CO_2 reduction roadmap is aligned with its 2030 business plan, which includes spend and investment trajectory as well as a strong focus on energy efficiency, renewable energy and supplier engagement.

As part of a debt refinancing in May 2022, TDC NET established a Sustainability-Linked Finance Framework and issued Sustainability-Linked Bonds, tied to our SBTi validated net-zero targets.

In addition to our long-term targets, we have committed to annual CO_2 reduction targets for our Scope 1 and 2, and Scope 3 emissions. The graphs to the right provides an overview of progress against annual targets.
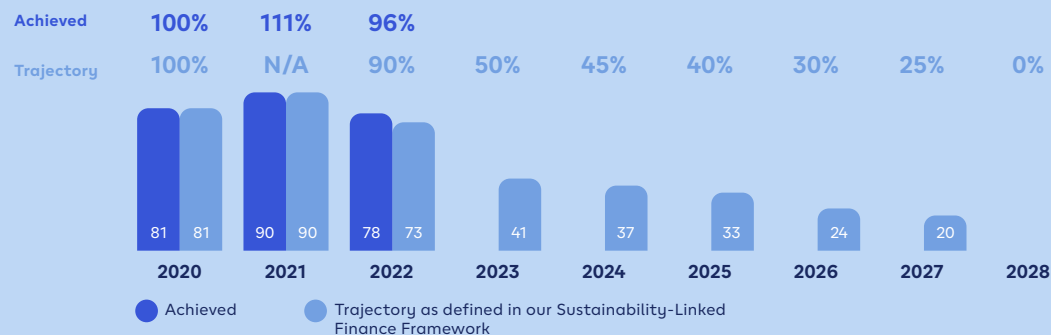
Net-zero target	2020 baseline	Reduction levers	Investor targets
Scope 1 and 2 by 2028	Emissions driven by: · 89% electricity use · 10% transport · 1% heat	· Energy efficiency · Green energy · Zero emission fleet	Sustainability linked bonds of EUR ~1 bn with penalty if we fail to meet Scope 1 and 2 KPI in 2027-2029
Scope 3 by 2030	Emissions driven by: · 84% purchased goods · 7% fuel and energy · 9% other	· Sustainable procurement · Supplier engagement · Offsetting	Sustainability linked bonds of EUR ~1 bn with penalty if we fail to meet Scope 3 KPI in 2027-2029

For more details, please refer to the Sustainability-Linked Finance Framework as well as the EMTN Prospectus and the associated Final Terms.

Roadmap to Scope 1 and 2 net-zero by 2028 for TDC NET
KPI (% of 2020 baseline)
Thousand tonnes CO_2e, 2020A-2028E

	2020	2021	2022	2023	2024	2025	2026	2027	2028
Achieved	100%	111%	96%						
Trajectory	100%	N/A	90%	50%	45%	40%	30%	25%	0%

Bar values — Achieved/Trajectory: 2020: 81 / 81; 2021: 90 / 90; 2022: 78 / 73; 2023: 41; 2024: 37; 2025: 33; 2026: 24; 2027: 20; 2028: —

● Achieved   ● Trajectory as defined in our Sustainability-Linked Finance Framework

Roadmap to Scope 3 net-zero by 2030 for TDC NET
KPI (% of 2020 baseline)
Thousand tonnes CO_2e, 2020A-2030E

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Achieved	100%	93%	83%								
Trajectory	100%	N/A	90%	85%	80%	75%	70%	65%	60%	45%	0%

Bar values — Achieved/Trajectory: 2020: 120 / 120; 2021: 112 / 112; 2022: 100 / 108; 2023: 102; 2024: 96; 2025: 90; 2026: 84; 2027: 78; 2028: 72; 2029: 54; 2030: —

● Achieved   ○ Trajectory as defined in our Sustainability-Linked Finance Framework

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Health and safety

Becoming one of the safest places to work

Our approach to health and safety
At TDC NET, we are aiming for vision zero and the mindset that every injury can be prevented. When we roll-out digital infrastructure, it is a high priority for us to protect people on the ground. We also provide a healthy and safe working environment for our employees working onsite, in the office or from home.

Reaching our ambition and targets requires strong collaboration across the business, enabled by our governance structure. Our Board level H&S Committee reviews our H&S performance data on a monthly basis. Supporting the Executive Leadership Team, our cross-company biparty H&S Committee consists of employees, trade unions and management representatives and helps ensure that initiatives align across TDC NET. Execution of initiatives is anchored in 54 H&S groups across TDC NET, mainly through our technicians.

Our H&S organisation is structured in line with the Danish Working Environment Act, and our H&S management is ISO 45001 certified (latest recertification obtained in June 2022).

Ambition:
To become one of the safest places to work by 2025

Targets:
- Reduce injuries by 50% in 2025 compared with 2019

- Aim for vision zero and the mindset that near-misses provide valuable learnings and that every injury can be prevented

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2022 results and performance
In 2022, we recorded no fatalities. Our rate of near-miss accidents increased from 41 in 2021 to 235 in 2022. We recorded a total of 920 near-misses (2022 target: 500). The increase is a result of our safety awareness initiatives across the organisation, encouraging our employees to report near-misses as part of our prevention measures.

For lost time injuries (LTIs), we reduced the number of injuries from 39 in 2021 to 28 in 2022, a drop of 28%. Our LTI frequency rate (LTIFR) decreased from 9.68 in 2021 to 7.2 in 2022. Even though the LTIFR improved

significantly, it was not enough to reach our LTIFR target of 7.0 for 2022. To achieve our ambition of being one of the safest places to work, we need to reach our LTIFR target of 3.8 in 2025. Following this ambition, the target for 2023 is set at LTIFR 5.2.

We use the Bradley scale[1] to indicate the maturity level of our health and safety (H&S) culture. In 2022, we achieved 81/100 on the Bradley scale compared with 81/100 in 2021. This is the same level as 2021.

Our H&S training performance KPI (Implemented training / Need of training) of minimum 95% reached an average of 96%.

Outlook
In 2023, we will increase our focus on reducing LTIs. Multiple parallel initiatives will be involved, including 1) maintaining the level of near-misses recorded, 2) revising the H&S training concept for our employees, 3) sharing knowledge of preventive actions between TDC NET and subcontractors, 4) conducting on-site audits of contractors and 5) implementing a new biparty H&S organisation.

[1] The Bradley Scale: TDC NET's Bradley Survey is a 7-topic / 28-question survey, inspired by validated sources from international H&S Research, e.g. Vision Zero, the Danish National H&S Research Center and Nordic Safety Climate Questionnaire.
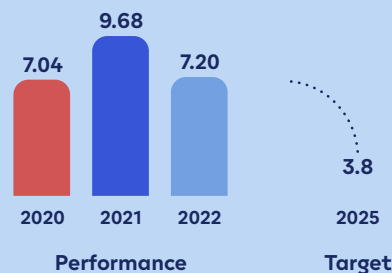
SDG 8 in action
Our H&S efforts support the following target:

- 8.8 Protect labour rights and promote safe and secure working environments for all workers

- 2022 action: TDC NET is not only focused on internal H&S. Working with its contractors, TDC NET is putting H&S in focus – both in civil works and facility management. In 2022, all (100%) major and 74% of minor contractors signed a specific contracts on H&S demands from TDC NET, including audits and reporting.

Lost time injury frequency rate (LTIFR)

2020	2021	2022	2025
7.04	9.68	7.20	3.8
Performance			Target

Injuries with lost time

2020	2021	2022	2025
31	39	28	15
Performance			Target

Days of absence
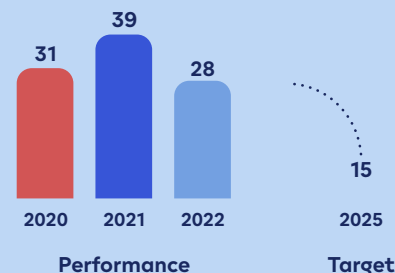
2020	2021	2022
351	437	184
Performance		
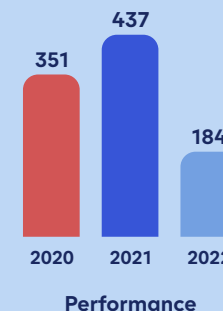
Diversity and inclusion

Reviewing our D&I approach to achieve long-term targets

Ambition:
To promote a diverse workplace where everyone feels they contribute and truly can be themselves

Target:
- To move towards a more equal gender balance, targeting a minimum of 30% women in leadership by 2025

Our approach to diversity and inclusion
TDC NET is committed to promoting a diverse workplace where everyone feels they contribute and can truly be themselves. Our approach to diversity and inclusion (D&I) is driven by our core beliefs: "We care" and "We are open".

We want to foster an inclusive culture where people, no matter their background, can thrive and reach their full potential, regardless of gender, beliefs, sexual orientation, social class, nationality, age, ethnicity, physical ability, personal traits, or attributes.

Setting the strategic direction for D&I
During 2022, TDC NET has worked to rethink and redefine its D&I approach and long-term ambitions. In 2022, we developed TDC NET's D&I strategy towards 2025. Guided by our overall ambition and strategy for D&I, we will focus on:

- **Gender:** Ensure a better balance in our internal and focus on the external pipeline

- **Age:** Retain senior employees with critical experience and competencies

- **Nationality:** Find the balance between our Danish heritage and need for future international talents

- **Minorities:** Understand our underrepresented groups to better appreciate key challenges and ensure an inclusive environment

- **Leadership:** Equip leaders to drive an inclusive culture

- **Culture:** Build a culture bridging young talents and new competences within our large population of experienced experts.

Roadmaps are in place to direct our efforts and ensure progress within these areas.

Inspiring more girls to choose a technological career path

In Denmark, more boys than girls are applying for science and technical educations. We believe more diversity is needed to achieve the desired technological development in the future. We therefore want to inspire more girls and young women to choose a career path within IT and digitalisation.

On 5 October, 2022 TDC NET hosted 'Girls' Day in Science' together with our innovation partner Ericsson. Girls from a range of schools were invited to our headquarters in Copenhagen for a full day programme under the headline: "Digital solutions that enable the green transition".

The girls, who were presented to TDC NET's Innovation Hub's work on identifying how 5G enables the green transition, got to experience which new opportunities technology can offer and worked in groups to elaborate on their own innovative ideas. In a follow-up survey, 67% of the girls responded that they learned something new about technology, and 83% learned more about job opportunities in technology.

The Danish non-profit organisation House of Natural Sciences is behind the concept for 'Girls Day in Science'. Going forward, we will continue our engagement in educational events targeted young people and have therefore entered a partnership with the House of Natural Sciences.

2022 results and performance
We believe awareness plays a key role in fostering the inclusive culture we aim to maintain. In 2022, +400 employees received D&I training to educate employees about unconscious bias.

Gender diversity in management
The percentage of female leaders at TDC NET decreased from 23% in 2021 to 19% in 2022. The decline in female leaders is due the fact that we are lacking performance in our recruitment, promotion, and retention efforts. To ensure that we as a company change the negative trend, we will in 2023 focus on strengthened our internal people processes by setting gender target per business unit. We will revise our recruitment process, set clear expectation for recruitment agencies and ensure internal succession planning that supports our gender diversity targets for 2025.

Women in leadership
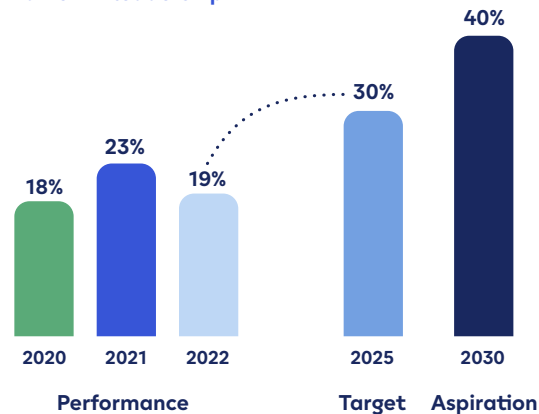
Across TDC NET, the gender split was 22% women /78% men in 2022, compared with 21% women /79% men in 2021.

At TDC NET, we experience difficulties attracting female talent. To reach our target of minimum 30% women in leadership by 2025, and aspire to achieve 40% female leaders in parts of the company by 2030, we need to break this trend. As in other technology and IT companies achieving an overall gender balance is difficult due to underrepresentation of women in relevant educations and the industry. Consequently, achieving diversity in leadership is challenging. For this reason, we will also direct our efforts towards creating focus on the issue and inspiring more girls and women work with technology and IT.

Outlook
In 2023, we will continue the implementation of our D&I strategy with a focus on awareness and training of leaders and employees. We will also establish a D&I council of employee ambassadors.

In addition, we will launch a sponsor programme for our female talents to help accelerate female talent into leadership positions, and we will activate our newly established partnership with Women in Tech, providing mentor/mentee options for female leaders and talents.

SDG 5 in action
Our D&I efforts support the following target:

- 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making
  - 2022 action: Entered partnership with Women in Tech to provide female talents access to a mentor

2022
41%
of our employees have a seniority of 21 years or above, making it crucial for TDC NET to build a culture that can bridge between new competencies and the large population of experienced experts

2022
24%
of our employees are above 60 years of age, so retaining critical competences is important for us

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Digital trust

Protecting personal data and critical infrastructure

Our approach to digital trust
In a digital world, protecting data and infrastructure is the key to maintaining the trust of our customers, stakeholders and society. Cyber security and data privacy are some of the most material issues for TDC NET and our stakeholders.

Guided by TDC NET's security policies as well as our Policy for Data Ethics and Responsible Processing of Personal Data, we protect our critical national infrastructure from threats and attacks, and protect the personal data with which we are entrusted. We comply with the General Data Protection Regulation (GDPR) requirements and provisions.

We promote the right to privacy and aim to use only data for strong, transparent purposes.

Our Digital Trust Forum, comprising subject matter experts and leaders from Security, IT and Privacy, sets the strategic direction for our efforts, which our security officers and Data Privacy Managers (DPMs) are responsible for day-to-day processes and compliance. TDC NET has chosen a hybrid data protection set-up, with a central unit delivering the overall framework, guidance and decision making, while the

implementation is handled locally by the individual business units. This set-up combines expert knowledge from the central unit with business insights from the local business units.

Our Security teams and Data Privacy team are each responsible for reporting on performance to the Digital Trust Forum, the Executive Leadership Team and Audit Committee.

2022 results and performance
Increasing security as well as data privacy knowledge and employee awareness are core elements of safeguarding data and networks. In 2022, 74% of employees completed a voluntary security e-learning course.

For data privacy, all employees must complete e-learning on GDPR and personal data compliance every 18 months. In 2022, 70% of our employees completed our new and improved GDPR e-learning course, which targets departments and roles to make content relevant for employees. The percentage of completed GDPR e-learning decreased from 98% in 2021 to 70% in 2022, which is not in line with our expectations. The significant drop is caused by a system error, which impacted our ability to track numbers of completed e-learnings. In

Ambition:
Protect network integrity, personal data and the right to privacy

Targets:
- All employees complete GDPR e-learning course

- Evaluate data requests in governance forum

31/60

addition, a large group of employees received the e-learning close to year end, which shortened the time frame for follow-up.

Outlook
In 2023, we will continue our focus on training and educating employees, including awareness of our internal policies.

With regards to cyber security, we will keep raising the bar and expanding visibility inside TDC NET. Our Cyber Defense Center will start the certification process from Trusted Introducer, as the second team in Denmark.

For data privacy, we will build a strong central privacy function to support the entire TDC NET in ensuring privacy compliance - including strengthening the skills and knowledge of local Data Privacy Managers.

We will also look into getting another system solution to support our GDPR e-learning data collection.

SDG 12 and 16 in action

- Promote responsible consumption and justice in societies
  - 2022 action: Maintained strong focus on promoting the right to privacy and protecting digital infrastructure

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Enabling Denmark to be a digital frontrunner

According to the European Commission's 'Digital Economy and Society Index 2022', Denmark is one of the most digitally advanced nations in Europe. A resilient, secure digital infrastructure is the foundation for Denmark's position as one of the most connected societies in the world.

Sustaining this position requires maintaining our focus on how we put digitalisation to use. Equally importantly, it requires continued investments to ensure the digital infrastructure remains both resilient and secure. Failing to do so may jeopardise the high level of digital trust that characterises Danish society.

As a provider of digital infrastructure, TDC NET plays an active role in securing our national digital infrastructure by maintaining robust and resilient networks. We do this through:

- **Our internal security processes,** enabling a risk-based approach to security

- **Awareness and training** of our employees to manage human risk and create an important last line of defence against external threats

- **Collaboration with external partners** – e.g. through our membership of TeleDCIS (Decentralised Cyber & Information Security Unit) and other industry associations

- **Our internal experts:** Our Cyber Defense Center is responsible for protecting TDC NET and our customers against external and internal cyber-related threats. Our team of pentesters, test our own IT systems and networks to identify and remove any potential vulnerabilities.

- **Hosting and participating in external events:** In 2022, our security organisation hosted 'TDC NET Hack' at the IT University of Copenhagen and took part in the Danish Defence Intelligence Services hacking competition 'FE CTF - Cyber Demon'.

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Supplier engagement

Co-creating a resilient supply chain

Our approach to supplier engagement

At TDC NET, we recognise that our environmental, social and economic impacts reach far beyond the boundaries of our organisation, and we take responsibility to address these throughout the supply chain. In 2022, we took significant steps to advance our Sustainable Procurement Programme. We have developed processes to ensure that our expectations for sustainability are consistently and effectively communicated to suppliers, from the first time they are contacted, through the sourcing process and during the contract lifecycle. We apply a risk-based category management approach, addressing the risks according to their probability and impact. We strive to foster business relationships built on good faith with suppliers who have aligned values and the desire to collectively address ethical, environmental, and social impacts. We

strongly believe this approach will allow us to co-create a supply chain that is efficient, resilient and sustainable in the long run.

2022 results and performance

In 2022, we published our new Supplier Code of Conduct, which is the foundation for how we address sustainability with our suppliers. We have increased the scope of the Code to cover new areas, such as modern-day slavery, economic sanctions, CO_2 management and grievance mechanisms. We have increased the focus on monitoring and evaluating, corrective action plans as well as on enforcement mechanism for supplier non-compliance. One of the most significant changes is that the Code has moved beyond a statement of minimum requirements. It now clearly lays out the journey we expect suppliers to take with us to develop their sustainability programme.

Ambition:

To have full transparency regarding the environmental, health & safety, business ethics and human & labour rights in our supply chain by 2030. We intend to achieve this by having:

- All new contracts include the latest Supplier Code of Conduct

- All eligible medium and high-risk suppliers reporting to EcoVadis

- All high-risk, high spend suppliers and sub-suppliers have had at least 1 on-site audit

- All CO_2 intensive purchases undergo due diligence processes, with suppliers chosen on the basis of CO_2 alongside commercial and technical criteria

- All procurement staff trained and able to deliver on the sustainability agenda

Targets:

- 5 on-site audits per year

- Increase spend coverage of eligible medium and high-risk suppliers reporting to EcoVadis to 100% by the end of 2024

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We also launched a campaign to evaluate performance with suppliers using the EcoVadis platform. We conducted a pilot programme for a due diligence screening tool in contracting. The first tender will include a sustainability weighting in the bid evaluation.

We have also established a governance structure in the form of the Sustainable Procurement Board, which meets quarterly and reviews performance and progress.

Training our colleagues
As we have a Procurement department that is passionate about sustainability, it is essential to continuously empower them with knowledge and tools to build our comprehensive sustainable procurement programme. Our category managers and strategic sourcing team members are the face of TDC NET as far as external suppliers are concerned, and the point of contact for supplier engagement. In 2022, we trained 100% of our procurement staff in sustainability, sustainable procurement, how to perform supplier evaluations and the due diligence process to screen purchases for sustainability.

Outlook
Our main focus for 2023, supplier engagement, will integrate sustainability into the quarterly business reviews with strategic suppliers.

We will include sustainability in Category Management strategies, with a specific aim to improve sustainability transparency in civil works.

We intend to work through the backlog of JAC audits from 2021 and 2022 campaigns, as well as conducting five from the 2023 campaign.

Our due diligence process will screen all purchases for risk and CO_2 intensity, requiring all medium and high-risk purchases over our spending threshold to contractually undergo an EcoVadis assessment and/or on-site audit.

Our 2023 EcoVadis campaign aims to invite all medium and high-risk suppliers not currently reporting within this framework to do so.

Auditing our suppliers

TDC NET is a proud member of JAC, the Joint Alliance for CSR (formerly the Joint Audit Cooperation). JAC is an association of telecomunication operators that aims to verify, assess and develop the sustainability practices of suppliers. This is very relevant for the telecoms industry, which is characterised by having a supply base with a high level of commonality between operators. JAC members share resources and best practices to develop long-term corporate social responsibility implementation in the different layers or tiers of the ICT Supply Chain globally.

Since 2010, JAC members have audited over 590 sites globally where over 1.56 million people work, resulting in 5,363 corrective actions closed. With a common audit checklist and approved third party auditors who are trained to implement it, the 25 members of JAC audit suppliers on health & safety, environment, labour & human rights and business ethics, then share results between them. Each member commits to auditing five suppliers a year. In 2022, we audited two suppliers, as the third-party auditors' travel was restricted by COVID-19 throughout 2021 and 2022.

As a member of JAC, we must live up to our commitments and we have rescheduled the backlog of audits in Q1 2023, in addition to the five audits in the 2023 campaign later in the year.
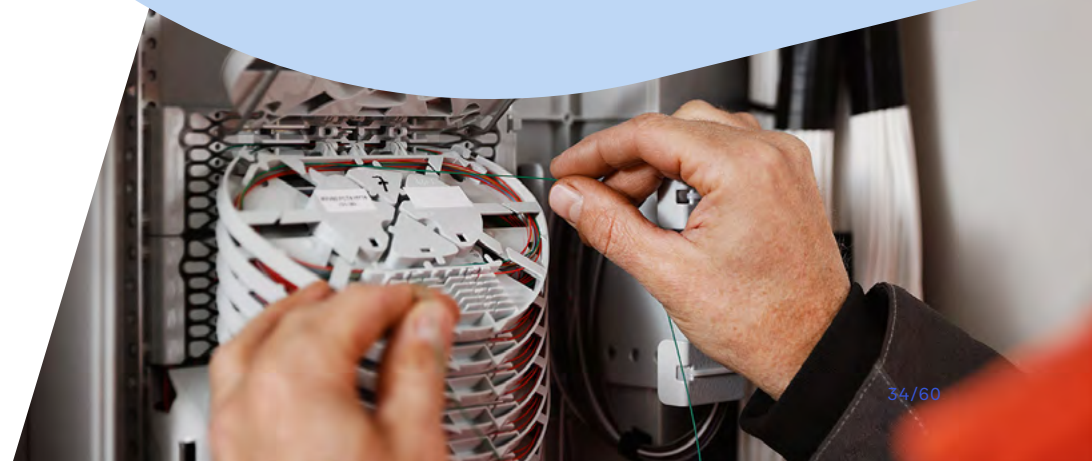
Sustainability governance

TDC NET's sustainability governance model ensures clear accountability for our strategy, targets, ESG data and performance.

Roles and responsibilities

- **TDC NET's Board of Directors** approves our sustainability strategy.

- **Board Committees** review performance data and results under each sustainability priority area on a quarterly basis.

- **Executive Leadership Team** is responsible for the progress towards targets.

- **Governance forums** ensure coordination across the company. The forums meet quarterly and include senior leaders with accountability for the relevant areas.

Information about our corporate governance is available in our → **Annual Report 2022** on pages 21-27.

Board of Directors
Sets the strategic direction for sustainability at TDC NET

| Climate action | Health and safety | Diversity and inclusion | Digital trust |

	Climate action	Health and safety	Diversity and inclusion	Digital trust
Board Committees	Board of Directors Chair: Henrik Clausen	Health & Safety Committee Chair: Frank Hyldmar	Compensation & Nomination Committee Chair: Frank Hyldmar	Audit Committee Chair: Martin Præstegaard

Review and approve ESG data and performance on key initiatives

Leadership Team	TDC NET Executive Leadership Team Accountable for executing the sustainability strategy and target delivery performance.

	Climate Forum	Biparty Health & Safety Committee	Diveristy & Inclusion Forum	Digital Trust Forum
Company Governance Forums	Chair: Henrik Brandt	Chair: Lika Thiesen	Chair: Lika Thiesen	Chair: Christian Frölich

· Drive results and develop recommendations on strategic direction and initiatives for top management
· Develop strategic direction and roadmaps with initiatives to deliver on strategy and targets
· Ensure execution and track performance on key initiatives
· Coordinate and align sustainability activities across the business

Futureproof digital infrastructure
Build reliable, resilient and sustainable digital infrastructure

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External certifications and data assurance
TDC NET holds ISO 14001 and ISO 45001 certifications. Our environmental activities are audited as part of the ISO 14001 certified environmental management system, while our H&S approach is reviewed as part of the ISO 45001 certified H&S system.

ESG data and related data collection processes mentioned in our annual report and sustainability report are independently assured.

Our policies
Various company policies support governance of ESG risks.

Our Sustainability Policy, which covers the areas of human rights, climate & environment, ethics & anti-corruption, guides our sustainability efforts and is approved by our Board of Directors. The implementation of its principles is done in close collaboration with our various company governance forums and line of business.

We are planning to include training on our Sustainability Policy as part of the onboarding of new employees.

Accountability and escalation routes for these policies culminate with the Board of Directors committees.

Our whistleblower scheme
Violation against policies can be reported to TDC NET's whistleblower scheme. Through the scheme, employees and partners can confidentially – and if required, anonymously – report violations or potential violations to an independent, autonomous whistleblower unit. Further information about the whistleblower scheme is available via this **link →**

TDC NET policies

● **Environment**   ● **Social**   ● **Governance**

Sustainability Policy (external) link →
Supplier Code of Conduct (external) link →

Environment	Social	Governance
Environmental Policy as part of Sustainability Policy (external) **link →**	Occupational Health and Safety Policy (internal)	Anti-Corruption Policy as part of Sustainability Policy (external) **link →**
	Data Ethics and Responsible Processing of Data Policy (external) **link →**	Disclosure Policy (internal)
	Diversity and Inclusion Policy (external) **link →**	Risk Policy (internal)
	Network and IT Security policies (internal)	Delegation of authority and signing rules (internal)
		Whistleblower Policy (external) **link →**

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Memberships and ratings

Memberships, partners and alliances

SCIENCE BASED TARGETS — DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

BUSINESS AMBITION FOR 1.5°C

OUR ONLY FUTURE

GeSI — ENABLING DIGITAL SUSTAINABILITY

JAC COOPERATION BEYOND COMPETITION

TCFD — TASK FORCE ON CLIMATE–RELATED FINANCIAL DISCLOSURES

ELRETUR MEDLEM AF 2022

Certified FORCE Certification — Environmental Management System · ISO 14001

QUALITY SYSTEM CERTIFICATION DNV·GL — ISO 9001

PLATINUM 2022 ecovadis Sustainability Rating

etno

GSMA

WE SUPPORT UN GLOBAL COMPACT

Since 2009, TDC NET has been a participant to the UN Global Compact and committed to the corporate responsibility initiative and its principles in the areas of human rights, labour, environment, and anti-corruption.

CDP — DRIVING SUSTAINABLE ECONOMIES

EUROPEAN GREEN DIGITAL COALITION

2022 ratings and rankings | Descriptions and benchmark | Score

2022 ratings and rankings	Descriptions and benchmark	Score
PLATINUM 2022 ecovadis Sustainability Rating	For the second year in a row, TDC NET was awarded a Platinum ranking and is therefore among the top 1% on sustainability for all companies assessed worldwide by EcoVadis.	75 out of 100
GRESB	TDC NET improved its GRESB score in 2022 (from 86 in 2021) and outperformed peers.	96 out of 100
CDP — DRIVING SUSTAINABLE ECONOMIES	**CDP score** In 2022, TDC NET maintained its B score achieved in 2021.	B
	CDP supplier engagement score Our supplier engagement score dropped from an A- in 2021 to a B score in 2022.	B

Risk management

Managing ESG risks →

Responding to climate risks →

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Managing ESG risks

As a provider of critical infrastructure, TDC NET is exposed to ESG related risks. Managing the ESG risks with a potential to impact our operations helps us protect our infrastructure and mitigate business disruptions. Therefore, risk management is an integrated part of our business operations and long-term planning.

The risk management framework deployed at TDC NET enables a consistent approach to identifying, assessing, documenting and responding to risks. Risks are assessed based on their potential financial impact and probability of occuring and are captured in risk registers across the organisation.

Each business line has its own risk coordinator, who is responsible for the relevant risk register. In collaboration with risk owners, risk coordinators ensure that risks are assessed, and mitigation strategies are established. A member of the leadership team is accountable for each risk register. Biannually

all risk registers are consolidated centrally and reviewed by the Executive Leadership Team to secure alignment on key risks and ensure execution on mitigation plans.

The overall risk exposure and status of the mitigating activities are submitted and reviewed biannually by the Audit Committee and Board of Directors.

The risk overview on the following pages describes key ESG risks, their potential impact on our business, and relevant mitigation actions.

Top seven ESG risks:

#1   **European energy crisis**

#2   **Electricity supply disruption**

#3   **Flooding of mobile equipment**

#4   **Inflation impacting salaries**

#5   **Security compliance**

#6   **Legal compliance**

#7   **Supply chain**

Read more on the following pages →

Risk #1
European energy crisis

Description
Operation and expansion of our mobile and fixed networks depend on a large amount of electricity, which is compromised by the European energy crisis.

Potential impact
The operational costs related to running our mobile network will be affected by increasing electricity prices.

Mitigation actions
We have entered a power purchase agreement with Better Energy on renewable electricity from four solar parks, covering 60% of our total energy consumption. The four solar parks across Denmark help limit our exposure to the rising electricity prices and reduce our CO_2 footprint.

Risk #2
Electricity supply disruption

Description
As a result of the European energy crisis the Danish authorities have announced potential brownouts for up to two hours a day in times of energy scarcity. The controlled power disruption is a method to reduce overall usage and avoid uncontrolled blackouts. Hence, we must comply while operating the mobile network in case of brownouts.

Potential impact
As brownouts can impact our critical infrastructure and thereby our service providers and end users, we risk reputational damage to our brand.

Mitigation actions
Following the announcement of possible brownouts, we have reviewed our entre mobile network to detect mobile sites that failed to meet our requirements. The sites have been upgraded and are now supported by at least two hours of battery back-up. We have also increased our diesel stocks to strengthen our back up resilience nationally – enabling us to run on emergency reserves.

Risk #3
Flooding of mobile equipment

Description
The global climate change increases the risk of potential weather-related disasters. The effects of extreme weather include heavy downpours causing flooding and landslides.

Potential impact
The extreme weather events can result in business disruption due to broken pipes on our facilities or flooding of our equipment and mobile sites resulting in potential short circuiting.

Mitigation actions
To mitigate eventual short circuits we have ensured that our mobile network operation is based on three physical locations with full redundancy policies. We can therefore continue operating if one location is flooded as the failover data centres will compensate.

Risk #4
Inflation impacting salaries

Description
TDC NET is depending on its ability to retain and attract a skilled workforce. Increased inflation causes massive pressure on our salary budgets. If increased salary expenses cannot be related to increased earnings, it can lead to a cap on our salary budget.

Potential impact
If TDC NET is not able to meet the salary expectations of existing and potential employees, it may impact our ability to retain and attract skilled workforce. It can impact general employee satisfaction and lead to higher employee turnover.

Mitigation actions
We have prepared for salary-negotiations in March/April 2023 and are awaiting the cost level of the central collective agreement negotiations for the entire Danish labour market during spring 2023.

Risk #5
Security compliance

Description
In an increasingly digital world, we rely heavily on our information systems, which increases the impact of potential cyber attacks. Breakdowns, interruptions, and other types of failures can come from unintentional, intentional, or coincidental events and can pose a significant risk. As a result, it is crucial that employees are aware of security policies and company standards to minimise the risk of security breaches.

Potential impact
Such harmful events could impair our ability to adequately provide our services and may lead to financial losses and reputational damage.

Mitigation actions
We work systematiccaly on continuously improving our cyber resilience through the use of internationally recognised frameworks such as NIST and ISO. We also educate our employees through awareness to withstand potential threats and avoid harmful behaviour.

Risk #6
Legal compliance

Description
As we provide access to critical digital infrastructure, we are subject to certain sector-specific regulations e.g. obligations to handle emergency communications, broadcast emergency calls via our mobile network. Moreover, we must comply with the competition law restriction and applicable data privacy rules in accordance with the EU General Data Protection Regulation (GDPR) and the ePrivacy legislation.

Potential impact
We are obligated to provide a reliable and secure network, hence reputational damage could arise, if end users cannot call in case of an emergency or if we are non-compliant with restrictions and regulations.

Mitigation actions
We have decicated and specialised team that ensures compliance to serve the sector specific and competition law regulations. We have implemented data protection measures to avoid complaints regarding handling of personal data cf. the GDPR, as all employees receive training in privacy awareness policies.

Risk #7
Supply chain

Description
TDC NET relies on a vast international network of suppliers/sub-suppliers, who operate across legislative jurisdictions and have varying levels of maturity regarding sustainability practices, including environment, health & safety, labour & human rights, and anti-corruption.

Potential impact
A supplier/sub-supplier of TDC NET could be found to be non-compliant with environmental and social legislation or best practices. Such cases can have a direct negative impact on TDC NET's integrity and reputation, which may result in legal disputes and supply chain disruptions.

Mitigation actions
Our supplier due diligence process applies a risk-based category management approach that determines which suppliers are in focus for environment, health & safety, labour & human rights and business ethics related risks. Medium and high-risk suppliers are eligible for sustainability assessments through EcoVadis. High-risk suppliers are eligible for on-site audits through JAC. In addition, our whistleblower system makes it possible for our employees and partners to report misconduct and violations.

Responding to climate risks

TDC NET applies the recommendations from the Task Force on Climate Related Financial Disclosures (TCFD) to understand, identify and report on climate-related risks and opportunities.

We focus on identifying short, mid- and long-term climate risks, and we report on them in our annual Carbon Disclosure Project (CDP) response. In alignment with the TCFD recommendations, we describe our 1) governance, 2) strategy, 3) risk management and 4) metrics and targets in relation to climate risks.

Governance
Climate-related risks are captured by our company Enterprise Risk Management (ERM) framework. Risk assessments cover all areas of our value chain – upstream, downstream and in our direct operations. We monitor most risks through half-yearly reviews, while some risks require more frequent updates. Risks are assessed based on a two-dimensional heatmap rating system that estimates the impact of a risk on financials or reputation, and the likelihood of the risk materialising. The most significant risks are reviewed and assessed by our Executive Management Team and by the Board of Directors.

Strategy
Our sustainability strategy is presented on pages 15-16 of this report. Supporting our corporate strategy it comprises five priority areas:

- Futureproof digital infrastructure

- Climate action

- Health and safety

- Diversity and inclusion

- Digital trust

We identified these priority areas through our materiality assessment, and they are aligned with TDC NET's business priorities, values and competences.

For each of the five priority areas, we have identified KPIs and delivered roadmaps on how to reach our ambitious targets. See pages 18-32 in this report for more information.

Key risks and mitigation actions

Climate change will lead to an increase in extreme weather events, such as heavy downpours and flooding, which could damage our facilities, equipment and infrastructure.

To mitigate the effects of these climate risks, we have taken preventive measures and secured our 10 most critical facilities. This included the installation of water sensors and water alarms in our facilities, installation of an emergency power supply, frequent examination of the pump and drainage system, and the installation of advanced pump, well and drainage systems for efficient water removal. We have increased the frequency of maintenance and have planned emergency contingency plans (portable pumps, power etc. on-site), terrain changes etc. to mitigate the impact of these risks materialising.

Risk management

TDC NET identifies and monitors both physical and transition-related climate risks. In our annual CDP response, we describe the identified risks and the planned mitigation actions in detail.

Specific risks include acute and long-term risks related to climate change (e.g. extreme weather events such as flooding and landslides) that can impact on our facilities and equipment, but also electricity supply disruption and emerging climate regulation. Based on these risk ratings, some have been brought to the attention of the Audit Committee.

TCFD TASK FORCE ON
CLIMATE-RELATED
FINANCIAL
DISCLOSURES

Metrics and targets

Page 17 of this report gives an overview of performance against targets for each of the five priority areas. We disclose our progress in our annual response to the CDP.

In 2022, our company was the first in the world to have its 2030 net-zero target for the entire value chain validated by the SBTi.

Our ESG performance

Environmental data

Energy and carbon emissions intensity ratios	2022	2021	2020	2019
Energy intensity (MWh of electrical energy / TB of data usage)	0.0092	0.0098	0.0110	0.0121
Carbon emissions intensity (tCO$_2$e of Scopes 1 and 2 market-based emissions / TB of data usage)	0.0036	0.0045	0.0047	0.0051
Energy				
Electricity (MWh)	199,769	197,801	191,204	190,127
Heat (MWh)	13,014	11,677	12,041	11,834
Transport (MWh)	35,714	33,917	33,226	33,602
Total energy consumption (MWh)	248,497	243,395	236,471	235,563
Emissions				
Scope 1 (metric tonnes CO$_2$e)	9,228	8,265	8,241	8,393
Scope 2 location-based (metric tonnes CO$_2$e)	20,143	28,466	24,450	29,090
Scope 2 market-based (metric tonnes CO$_2$e)	68,873	81,873	72,825	71,678
Scope 3 (metric tonnes CO$_2$e)	100,215	112,078	120,232	-
Total Scopes 1, 2 and 3 market-based emissions (metric tonnes CO$_2$e)	178,316	202,216	201,299	-
Total Scopes 1 and 2 market-based (metric tonnes CO$_2$e); target baseline	**78,101**	**90,138**	**81,066**	**80,071**

The environmental data for previous years has been corrected as a result of the demerger from TDC Group and change of allocation key to TDC NET. Corrections have also been made due to an update of the electricity and heat emission factors that occurred after last year's reporting.

Scope 3 by category (metric tonnes CO$_2$e)	2022	2021	2020	2019
1: Purchased goods and services & 2: Capital goods	81,066	91,354	101,164	-
2: Capital goods	Included in cat. 1	Included in cat. 1	Included in cat. 1	-
3: Fuel and energy related activities	12,194	13,385	8,786	-
4: Upstream transportation and distribution	653	1,100	825	-
5: Waste generated in operations	67	32	23	-
6: Business travel	222	100	196	-
7: Employee commuting	1,051	492	1,078	-
11: Use of sold products (direct)	3,709	4,232	6,802	-
12: End-of-life treatment of sold products	2	5	8	-
13: Downstream leased assets	1,252	1,377	1,350	-
Total Scope 3 emissions (metric tonnes CO$_2$e)	**100,215**	**112,078**	**120,232**	**-**

Waste	2022	2021	2020	2019
Non-hazardous – landfill (metric tonnes)	2.8	3.1	21.7	-
Non-hazardous – composting (metric tonnes)	14.6	5.5	18.7	-
Non-hazardous – recycling (metric tonnes)	870.6	921.4	1,014.4	-
Non-hazardous – energy recovery and incineration (metric tonnes)	360.5	370.8	519.8	-
Total non-hazardous waste (metric tonnes)	1,248.4	1,300.9	1,574.6	-
Hazardous – landfill (metric tonnes)	0.0	0.1	-	-
Hazardous – composting (metric tonnes)	0.0	0.0	-	-
Hazardous – recycling (metric tonnes)	17.6	28.2	8.1	-
Hazardous – energy recovery and incineration (metric tonnes)	0.6	0.7	0.5	-
Hazardous – other, incl. recycling and energy recovery (metric tonnes)	0.0	0.0	0.1	-
Total hazardous waste (metric tonnes)	18.3	29.0	8.7	-
Total waste disposed (metric tonnes)	**1,266.7**	**1,329.8**	**1,583.4**	**-**
Waste recycled (%)	70%	71%	65%	-

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Social data

Occupational health and safety	2022	2021	2020	2019
Fatalities	0	0	0	0
Injuries with lost time	28	39	31	25
Injuries without lost time	64	52	48	40
Total injuries (with/without lost time)	**92**	**91**	**79**	**65**
Days of absence	184	437	351	289
Injury incidence (lost time injuries per 10,000 employees)	118	159	116	-
Rate of fatalities (per 1,000,000 hours)	0	0	0	0
Lost time injury frequency rate (per 1,000,000 hours) – LTIFR	7.20	9.68	7.04	-
Total recordable injury frequency rate (per 1,000,000 hours) – TRIFR	23.50	22.59	17.72	-
Near-miss accidents reported (number)	920	167	66	
Rate of near-miss accidents (per 1,000,000 hours)	235	41	15	-

Employees by gender (headcount)	2022	2021	2020	2019
Men (number)	2,318	2,375	2,181	-
Women (number)	639	633	495	-
Men (%)	78%	79%	82%	-
Women (%)	22%	21%	18%	-

Employees by contract type (headcount)	2022	2021	2020	2019
Employees on permanent contracts – men (number)	2,316	2,354	2,173	-
Employees on permanent contracts – women (number)	633	609	489	-
Employees on temporary contracts – men (number)	2	21	8	-
Employees on temporary contracts – women (number)	6	24	6	-

Employees by employment type (headcount)	2022	2021	2020	2019
Employees in full-time employment – men (number)	2,273	2,319	2,152	-
Employees in full-time employment – women (number)	592	582	459	-
Employees in part-time employment – men (number)	45	56	29	-
Employees in part-time employment – women (number)	47	51	36	-

Employees by age group (%)	2022	2021	2020	2019
Employees under 30 years old (%)	11%	10%	9%	-
Employees 30-50 years old (%)	40%	39%	38%	-
Employees over 50 years old (%)	49%	51%	53%	-

Employees by age group (headcount)	2022	2021	2020	2019
Employees under 30 years old (number)	320	292	243	-
Employees 30-50 years old (number)	1,190	1,186	1,026	-
Employees over 50 years old (number)	1,447	1,530	1,407	

*The numbers in the 'Employees by ...' tables also include Dansk Kabel TV employees

Social data

Employees by employment category (headcount)	2022	2021	2020	2019
Manager – men (number)	199	197	179	-
Manager – (number)	48	58	40	-
Non-manager – men (number)	2119	2,178	2,002	-
Non-manager – women (number)	591	575	455	-

Employees by employment category (%)	2022	2021	2020	2019
Manager – men (%)	81%	77%	82%	-
Manager – women (%)	19%	23%	18%	-
Non-manager – men (%)	78%	79%	81%	-
Non-manager – women (%)	22%	21%	19%	-

Employee performance review – by gender and employee category	2022	2021	2020	2019
% of appraisal – managers/supervisors - men (%)	93%	93%	94%	-
% of appraisal – managers/supervisors - women (%)	83%	96%	100%	-
% of appraisal – non-management - men (%)	92%	95%	96%	-
% of appraisal – non-management - women (%)	91%	91%	99%	-

Employee training	2022	2021	2020	2019
Average training hours (hours per FTE)	5.5	5.3	5.1	-

*The numbers in the 'Employees by ...' tables also include Dansk Kabel TV employees

Employee statistics – other	2022	2021	2020	2019
Fathers and non-birth mothers taking parental leave (%)	95%	86%	68%	-
Number of different nationalities (number)	30	30	24	-
Age of oldest employee (years)	70	69	71	-
Age of youngest employee (years)	18	17	16	-

Data privacy	2022	2021	2020	2019
GDPR and security e-learning				
Employees completing a GDPR e-learning course (%)	70%	98%	99%	-
Employees completing a voluntary security e-learning course (%)	74%	71%	77%	-

*The numbers in all the 'Employees by ...' tables also include Dansk Kabel TV employees

Governance data

Gender representation - Board of Directors	TDC NET	Dansk Kabel TV	TDC Holding A/S
Men (number)	4	4	4
Women (number)	2	0	2
Total	**6**	**4**	**6**
Men (%)	67%	100%	67%
Women (%)	33%	0%	33%

Board of Directors TDC NET – gender representation	2022	2021	2020	2019
Men (number)	4	5	-	-
Women (number)	2	1	-	-
Total	**6**	**6**	**-**	**-**
Men (%)	67%	83%	-	-
Women (%)	33%	17%	-	-

Statutory report on gender diversity, pursuant to Section 99b of the Danish Financial Statements Act.
With the appointment of one female Board member on TDC NET's Board of Directors in 2022, TDC NET met its target. Two out of six shareholder elected Board members are now women, corresponding to 33% women/ 67% men. According to the Danish Business Authority, this is sufficient to obtain a 40/60 gender balance, due to the size of the Board.

Data transported	2022	2021	2020	2019
Data transported (TB of data throughput)	21,740,130	20,132,123	17,372,825	15,665,078

Supplier engagement

JAC audits

	2022	2021	2020	2019
Number of JAC audits conducted (number)	2	-	-	-

EcoVadis

	2022	2021	2020	2019
Number of suppliers eligible for EcoVadis	92	-	-	-
Number of suppliers reporting to EcoVadis	40	-	-	-
Risk covered (Spend on suppliers reporting to EcoVadis/Spend on suppliers eligible for EcoVadis)	64%	-	-	-
Weighted average score of suppliers reporting to EcoVadis	68%	-	-	-

Whistleblower reports to TDC NET A/S

	2022	2021	2020	2019
Number of reports submitted to the whistleblower system	2	0	1	-

ESG ratings

	2022	2021	2020	2019
CDP score	B	B	-	-
CDP supplier engagement score	B	A-	-	-
EcoVadis award	Platinum	Platinum	Silver	Gold
GRESB infrastructure ESG score	96	86	65	61
Sustainalytics score	-	12.8 (Low)	-	-

EU Taxonomy reporting

The EU Taxonomy (Regulation (EU) 2020/852) is a classification system, for environmentally sustainable economic activities, that helps investors determine the sustainability of their investments.

Eligibility versus alignment
An economic activity is considered Taxonomy-eligible if it is described in the Taxonomy's delegated acts. To be considered Taxonomy-aligned (environmentally sustainable), the activity must also:

- Meet the substantial contribution criteria
- Meet the 'Does not significantly harm' criteria
- Be conducted in compliance with the minimum safeguards.

Assessing our Taxonomy-eligible activities
As an open-access connectivity provider of digital infrastructure, TDC NET owns and operates data centres. TDC NET's eligible activities are related to the EU Taxonomy's activity 8.1 "Data processing, hosting and related activities" in the appendix of climate mitigation. These activities cover storage, manipulation, management, movement, control, display, switching, interchange, transmission or processing of data through data centres including edge computing.

TDC NET's Taxonomy-eligible, but not Taxonomy-aligned data processing and hosting is measured on three KPIs: 1) Turnover (revenue), 2) capex, and 3) opex. The financial figures are presented in our Consolidated Financial Statements 2022 as part of our Annual Report 2022. The Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards (IFRS).

KPI 1: Turnover
Numerator
Taxonomy-eligible turnover is calculated as the turnover (revenue) generated from data processing and hosting activities.

Denominator
Turnover (revenue) is defined in our Annual Report 2022, note 2.1: Revenue.

KPI 2: Capex
Numerator
Taxonomy-eligible capex is defined as capex related to maintenance of or investment in the efficiency of our data centres.

Denominator
Additions of tangible and intangible assets during the financial year considered before depreciation, amortisation and any remeasurements, including those resulting from revaluations

and impairments, for the relevant financial year and excluding fair value changes. Additions of tangible and intangible assets are presented in notes 3.1-3.3 in our Consolidated Financial Statements.

KPI 3: Opex
Numerator
Taxonomy-eligible opex includes overall operational expenses for the operation, maintenance and servicing of our data centres.

Denominator
Opex is defined as direct non-capitalised costs that relate to research and development, building renovation measures, short-term leases, maintenance and repair, and any other direct expenses relating to day-to-day servicing of property, plant and equipment assets.

Assessing our Taxonomy-aligned activities
We have assessed whether our eligble acitvities also meet the substancial contribution and 'do no significant harm' criteria as well as comply with minimum safeguards.

For an eligible activity to be considered aligned, all criteria must be met. As our climate risk assessment is currently not as extensive as required to meet the alignment-criteria, we are not able to claim any alignment.

Potential to enable other sectors
Through its networks and services, the telecommunications sector has a significant potential to enable other sectors to reduce their own carbon emissions via green digital solutions. Currently, the EU Taxonomy does not reflect the crucial role of the telecommunications sector in building the necessary infrastructure for digitalisation of society. Digital solutions

are required to achieve the EU Green Deal's sustainability goals. TDC NET is connecting Denmark and rolling out both fibre and the 5G mobile network, which are considered more energy-efficient than previous alternatives. The Taxonomy regulation does not include criteria for the economic activity "Provision and operation of a network infrastructure for

telecommunications", which is the core of our business and a key enabler for the green transition.

Through our engagement in the European Telecommunications Network Operators Association (ETNO), we work together with peers to ensure inclusion of such criteria and improved guidance in future versions of EU Taxonomy.

KPI 1: Turnover

| | Absolute turnover DKKm | Proportion of turnover | Substantial contribution (%) | | | | | | Does not significantly harm (Y/N) | | | | | | Minimum social safeguard | Taxonomy-aligned proportion of turnover | Category (enabling/ transitional) |
			Climate change mitigation	Climate change adaption	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaption	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems			
Taxonomy-aligned activities			–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
None	0	0%															
Taxonomy-eligible but not aligned activities			–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
8.1 Data processing, hosting and related activities	15	0.23%															
Taxonomy non-eligible activities	**6,624**	**99.77%**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total	**6,639**	**100%**															

KPI 2: Capex

	Absolute capex DKKm	Proportion of capex	Substantial contribution (%)						Does not significantly harm (Y/N)						Minimum social safeguard	Taxonomy-aligned proportion of capex	Category (enabling/ transitional)
			Climate change mitigation	Climate change adaption	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaption	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems			
Taxonomy-aligned activities																	
None	0	0%	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Taxonomy-eligible but not aligned activities																	
8.1 Data processing, hosting and related activities	27	0.83%	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Taxonomy non-eligible activities	**3,221**	**99.17%**															
Total	**3,248**	**100%**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

KPI 3: Opex

	Absolute opex DKKm	Proportion of opex	Substantial contribution (%)						Does not significantly harm (Y/N)						Minimum social safeguard	Taxonomy-aligned proportion of opex	Category (enabling/ transitional)
			Climate change mitigation	Climate change adaption	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaption	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems			
Taxonomy-aligned activities																	
None	0	0%	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Taxonomy-eligible but not aligned activities																	
8.1 Data processing, hosting and related activities	54	5%	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Taxonomy non-eligible activities	**1,025**	**95%**															
Total	**1,079**	**100%**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

ESG accounting principles

Boundary setting

Based on our materiality assessment, the content of this report focuses on the issues, that we consider most material to our business and society.

TDC NET's non-financial accounting principles set out the criteria, assumptions and principles for calculating our environmental, social and governance (ESG) data. This includes our energy consumption, greenhouse gas emissions, waste, safety, employee-related and governance data. The share of TDC Group's emissions is fully covered by TDC NET.

The scope covers our facilities in Denmark, equipment, supply chain, operations and administration. Our ESG data includes all companies under the umbrella of TDC NET, unless otherwise stated. Dansk Kabel TV is included in all the environmental data figures as well as employee figures reported, unless otherwise stated. For health and safety figures, Dansk Kabel TV is not included, as it has no system for safety reporting. Fiberkysten's transport-related consumption is also considered, as TDC NET has partial ownership of the company.

Data collection period

Our ESG data was collected from 1 January to 31 December 2022.

Environment

Energy and carbon intensity ratios

Energy intensity is calculated based on electrical energy consumed (MWh) per terabyte of actual data traffic output in TDC NET's network. The traffic reported is the average output traffic measured at the periphery of the network over a year.

Carbon emissions intensity is calculated based on total direct emissions from operations (Scope 1 and 2 greenhouse gas emissions measured in tonnes of CO_2e) per terabyte of actual data traffic output in our network. The traffic reported is the output traffic measured at the periphery of the network over a year.

Energy

Electricity (MWh) measured directly by meters across our sites.

Heat (MWh) covering oil, natural gas and district heating taken directly from supplier invoices as volume or cost.

Transport covering fuel data from petrol and diesel based on data from company fuel cards.

CO_2e emissions calculation methodology

We report our emissions in line with the World Business Council for Sustainable Development GHG Protocol methodology which classes emissions in three groups: Scopes 1, 2 and 3. To calculate emissions, we apply specific conversion factors to our activity data. We use emission factors from our suppliers, from Energinet and from DEFRA (Department for Environment, Food & Rural Affairs (2019) – UK Government GHG Emission Conversion Factors for Company Reporting) to translate this activity data into CO_2 and greenhouse gas (GHG) or CO_2e emissions.

Scopes 1 and 2

We calculate our CO_2e emissions annually by collecting activity data, e.g. data on litres of gasoline and diesel consumed by our technicians in their vans and GWh of electricity purchased across our operations.

This data is sourced from:
- Electricity: Consumption is measured directly from ~15,000 meters across our sites.
- Oil, natural gas, district heating: Data sourced directly from supplier invoices as volume or cost.
- Fuel data: Data from company fuel cardsonly, as these cards should be used for 100% of fuel purchased.

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We use fuel conversion factors to convert our fuels into kWh. For petrol, diesel, oil and natural gas, we use the official UK government / DEFRA fuel conversion factors. These factors are updated on an annual basis, according to the newest published factors from DEFRA.

For location-based emission factors there is a significant time difference between our publication and the issuance of the correct factor for the given year. In our reporting we use the latest available emission factors. Once the actual emission factors are made available, we will update our emissions to reflect any possible change.

Scope 3
Nine of the fifteen Scope 3 categories have been found to be relevant for our business. In 2020, we performed our first Scope 3 inventory and reported for 2019 and 2020. In 2022, data quality was improved, and the 2020/2021 figures were updated retrospectively. These included:

- The Exiobase EEIO database used for previous years' spend data. This is based on a new mapping to our procurement taxonomy and provides country specific factors.

- More suppliers moving from EEIO to the Financial Allocation method. Whereas previous years' data was not available for Scope 3 upstream, the latest available data was applied to years without data.

- Introduction of Product Carbon Footprint methodology where available

- CO_2/kg transported used for ferry crossing as opposed to EEIO modelling

- All equipment leased or sold that draws electricity is now in category 11 and routers were included as inventories.

Category 1: Purchased goods and services & Category 2: CapEx: These two categories are reported together. There are two different methodologies to calculate emissions depending on data availability. They range from most to least accurate:

A) Product Carbon Footprint (PCF): When available, PCF data is used. Spend on items with PCFs is then removed from the total spend on those suppliers, and method B) or C) is applied on the portion of the spend without PCFs.

B) Financial Allocation Method: If the transparency of supplier data for Scopes 1, 2 and 3 is 'sufficient', we calculate our share of their emission using the following formula:
TDC Spend / Supplier Revenue * Supplier Footprint

There is a threshold for what is considered 'sufficient', whereby the supplier must:
- Publish Scope 1 emissions
- Publish preferably, market-based Scope 2 emissions but otherwise location-based is used
- Have a full Scope 3 inventory for upstream emissions, with a minimum of purchased goods and services

The 'sufficiency' criteria are expected to be updated every year for the top 100 suppliers ranked by EEIO. Average annual

exchange rates are used as well as the best available 12 months data from each supplier.

C) Environmentally Extended Input Output Method: If suppliers' Scopes 1, 2 and 3 data is insufficient, we estimate the footprint using EEIO modelling, based on the Exiobase database.

Category 3: Fuel and energy-related activities
To calculate these emissions, we use activity data from Scope 1 and market-based Scope 2 emission factors from DEFRA (Department for Environment, Food & Rural Affairs (2021) – UK Government GHG Emission Conversion Factors for Company Reporting) to CO_2 equivalent emissions.

Category 4: Upstream transportation
All transportation is accounted for in this category as we source the transport. We use actual activity data provided by our transport suppliers.

Category 5: Waste
We use supplier-specific tonnage for all waste. We use emission factors from DEFRA (Department for Environment, Food & Rural Affairs (2021) – UK Government GHG Emission Conversion Factors for Company Reporting) to translate this activity data into CO_2 equivalent emissions.

Category 6: Business travel
- Air: Supplier-specific data on km travelled on short, medium, long-haul, business and economy flights is used, with DEFRA emission factors
- Hotel: Nights spent in each country are used and the DEFRA emission factor
- Rental cars: Supplier-specific and invoice data is used and a 50/50 split of petrol and diesel is assumed
- Taxi: Invoice data is used, with DEFRA emission factor for taxis
- Public transport: Invoice data is used with supplier-specific emission factors (spend/revenue*CO_2 footprint of Danske Statsbaner (DSB)
- Sea travel: The number of cars on ferries is estimated and volume of CO_2/kg transported is used.

Category 7: Employee commuting
In 2020, we conducted a survey of employees that covered detailed responses on the commuting habits from 115 employees. Using this information to model trends for the whole organisation, we adjusted it according to office occupancy rates from facility management.

Category 11: Use of sold products
This category includes routers sold/leased as well as Optical Network Terminals (ONT). To calculate the emissions generated, we first determine the energy consumed by the devices, based on the wattage for typical user profiles. To calculate the lifetime of a device, we make type specific assumptions. Using the activity data generated by the exercise,

we calculate emissions using the location-based grid emission factor from the national grid.

Category 12: End of life of sold products
This category includes the ONTs sold to third parties over the reporting year, and the number installed in that year. Assumptions are made for the average composition of WEEE and the end-of-life treatment.

Category 13: Downstream leased assets
For floor space leased for commercial and residential purposes we used m² data for each site, and estimated the electrical consumption in kWh/m² for commercial purposes using assumptions based on TDC NET locations that are purely administrative. We used the average residential kWh/m² for Denmark calculated by Statistics Denmark.

Waste
TDC NET's suppliers provide our consumption data. The data is then split, based on the location of the waste into three categories; TDC Group, Nuuday and TDC NET. The waste flows belonging to TDC Group are then assigned to Nuuday and TDC NET based on the employee ratio, excluding the employees who are "on-site" technicians. The waste flows are assigned to GRI categories, based on the type of waste and the final waste route. The detailed guidance for the split of the waste flows is provided in the waste data tool which is updated annually. Dansk Kabel TV is also included in the overall waste volumes for TDC NET.

Social

Health and safety
Number of fatalities is the tally of fatal accidents reported during the year.

Number of injuries with lost time is the tally of incidents reported during the year where the employees were absent from work the following day due to the accident.

Number of injuries without lost time is the tally of incidents reported during the year where the employees came to work the day after the accident.

Total injuries is the sum of injuries with lost time and injuries without lost time.

Number of days of absence is the total combined number of days where employees were absent from work due to work-related incidents.

Injury incidence is calculated as: (Number of injuries with absence/number of employees) x 10,000.

Rate of fatalities is calculated as the number of fatal accidents per one million working hours.

Lost time injury frequency rate (LTIFR) is calculated as the number of injuries with lost time per one million working hours.

Total recordable injury frequency rate (TRIFR) is calculated as number of injuries without lost time per one million working hours.

Number of near-miss accidents is the tally of near-miss accidents reported during the year.

Rate of near-miss accidents is calculated as the number of near-miss accidents per one million working hours.

Employee data
Number/percentage of employees by gender is the tally/percentage of employees who are men and women, employed at the company during the reporting year at year end.

Number of employees by contract type is the tally of employees who are employed at the company during the reporting year at year end, who had either a permanent or temporary contract, divided by gender (men/women).

Number of employees by employment type is the tally of employees who are employed at the company during the reporting year at year end, who were either employed in a full-time or a part-time capacity, divided by gender (men/women).

Number/percentage of employees by age group is the tally/percentage of employees who are employed at the company during the reporting year at year end, divided into three age brackets.

Number/percentage of employees by employment category is the tally/percentage of employees who are employed at the company during the reporting year at year end, who have managerial or non-managerial responsibilities, divided by gender (men/women).

Percentage of employee performance review is the percentage of employees who are employed at the company during the reporting year at year end, who have received a performance review during the reporting year, divided by gender (men/women) and employee category (managerial responsibility/non-managerial responsibility).

Average number of training hours is calculated as the total number of hours of training provided to employees in 2022 at TDC NET locations and paid for by TDC NET (internally and externally), divided by the total number of employees at year end (headcount).

Percentage of fathers and non-birth mothers taking parental leave includes every father or non-birth mother who has started or held paternity leave (maximum 2-4 weeks) in the period 1 January – 31 December 2021. Of these, it is calculated how many have subsequently taken parental leave with pay (up to 14 weeks, depending on the collective agreement) until (and including) 31 December 2022. Employees who have not taken additional leave and who have resigned up to 250 days after paternity leave are excluded from the calculations. Source: Salary system.

Number of different nationalities counts from the Statistics Denmark report.

Age of the oldest employee is the age in years of the employee who is employed at the company during the reporting year at year end with the earliest birthday compared to all other employees employed at the company at the same time.

Age of the youngest employee is the age in years of the employee who is employed at the company during the reporting year at year end with the latest birthday compared to all other employees employed at the company at the same time.

Due to changes in our company structure, historical figures before 2020 are not available.

Dansk Kabel TV employees are part of the employee reporting and figures.

Data privacy
Percentage of employees completing a GDPR e-learning course is the number of employees who completed the GDPR e-learning course in 2022, divided by the total number of employees who received the GDPR e-learning in 2022 and were eligible to complete the training.

Percentage of employees completing a voluntary security e-learning course is the activity with the highest completion rate by the end of the reporting year. The figure considers the total number of TDC NET employees who received and completed an e-learning by end year. Year end is defined as 31 December. Only e-learning completed before this date is included in the calculation for the reported figure.

Governance

Number/percentage of gender representation on the Board of Directors is a tally/percentage of the number of Directors on the Board of Directors who are men and women, at year end of the reporting year. This only includes directors elected by the Annual General Meeting; employee representatives are excluded.

Data transported is delivered as total Terabytes (TB) of output data for the whole network of TDC NET from 1 January to 31 December. This is based on average traffic measurements sampled every 5 minutes, from which an average per second per year is calculated and converted into a 'Terabytes per year' datapoint.

Supplier engagement
JAC audits: TDC NET applies a risk-based Category Management approach to determine eligibility for JAC audits. Suppliers with a weighted average risk score of medium and high for environmental or social impacts, that also have >DKK 10m are eligible provided there is a fixed site to audit, such as a factory. Data is consolidated annually, as are supplier risk

scores. Spend data is extracted from the spend visibility tool Sievo, and audit reports are accessed through the JAC Audit Management Platform. Factories in TDC NET's supply chain with on-site audit is defined as the number of JAC audits conducted by any JAC member on sites belonging to or used by a TDC NET supplier or sub-supplier.

EcoVadis: TDC NET applies a risk-based Category Management approach to determine eligibility for EcoVadis reporting. Suppliers with a weighted average risk score of medium or high for environmental or social impacts, that also have >DKK 1m are eligible. Data is consolidated annually, as are supplier risk scores. Spend data is extracted from the spend visibility tool Sievo, and EcoVadis participation and scores are determined through the EcoVadis platform.

Whistleblower reports to TDC NET A/S
Number of reports submitted to the whistleblower system is measured as the total number of reports submitted to TDC NET's whistleblower system from 1 January to 31 December.

Extenal ratings
ESG ratings include our annual rating in different rating systems, for example our CDP score, CDP supplier engagement score, the EcoVadis award category and the GRESB ESG score. This information can also be found in publicly available sources and on the websites of the reporting systems.

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About this report

Our sustainability report represents TDC NET's compliance with sections 99a, 99b and 99d of the Danish Financial Statements Act.

International standards
This report has been prepared in accordance with the Global Reporting Initiative Standards 'Core' option. The GRI Reference Index table is available on our website **link →**, which specifies the GRI standards used and lists the disclosures together with the appropriate references.

We have also provided information in alignment with the Task Force on Climate Related Financial Disclosures (TCFD).

We have assessed eligibility according to EU Taxonomy for sustainable investment and the disclosure obligation in Article 8 of the regulation.

TDC NET's participates in the UN Global Compact (UNGC). Due to the new Communication on Progress (COP) system, TDC NET's COP reporting questionnaire will be available on the UNGC's COP platform together with our CEO's statement of continued support.

External assurance
Independent external assurance has been obtained for this report.

The independent auditor's report provided by Deloitte can be found on pages 58-59.

Availability
TDC NET's sustainability reports are available at tdcnet.dk.

For ESG data before 2020, read the annual reports for TDC Group available at tdcgroup.com.

Please consult **sustainability@tdcnet.dk** for questions or feedback on sustainability at TDC NET.

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Independent auditor's assurance report

To Management and broader stakeholders of TDC NET A/S
TDC NET A/S engaged us to provide limited assurance on the ESG performance data for the year ended 31 December 2022, presented on pages 45-48 in the Sustainability Report 2022 ("the Report") of TDC NET A/S.

Management's responsibility
Management of TDC NET A/S is responsible for designing, implementing, and maintaining internal controls over information relevant to the preparation of the ESG performance data and information in the Report, ensuring they are free from material misstatement, whether due to fraud or error. Furthermore, Management is responsible for establishing objective accounting principles ("Accounting principles") for the preparation of ESG performance data, for the overall content of the Report, and for measuring and reporting ESG performance data in accordance with the Accounting principles stated on pages 52-56 of the Report.

Auditor's responsibility
Our responsibility is to express a limited assurance conclusion based on our engagement with Management and in accordance with the agreed scope of work. We have conducted our work in accordance with ISAE 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information, and ISAE 3410 Assurance Engagements on Greenhouse Gas Statements, and additional requirements under Danish audit regulation, to obtain limited assurance about our conclusion. Greenhouse Gas emissions quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emission factors and the values needed to combine emissions of different gasses.

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the ESG performance data are free from material misstatement, whether due to fraud or error, and prepared, in all material respects, in accordance with the Accounting principles;

- forming an independent conclusion, based on the procedures we performed and the evidence we obtained; and

- reporting our conclusion to the Management and broader stakeholders of TDC NET A/S.

Deloitte Statsautoriseret
Revisionspartnerselskab is subject to International Standard on Quality Control (ISQC) 1 and, accordingly, applies a comprehensive quality control sys-tem, including documented policies and procedures regarding compliance with ethical

requirements, professional standards and applicable legal and regulatory requirements. We have complied with the requirements for independence and other ethical require-ments of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), which is founded on fundamental prin-ciples of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, and ethical requirements applicable in Denmark.

A limited assurance engagement is substantially less in scope than a reasonable assur-ance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Work performed
We are required to plan and perform our work in order to consider the risk of material misstatement in the ESG performance data. To do so, we have:

- conducted interviews with data owners and internal stakeholders to understand the key processes and control activities for measuring, recording and reporting the ESG performance data;

- performed limited substantive testing on a selective basis to check that data has been appropriately measured, recorded, collated and reported;

- performed analysis of data, selected based on risk and materiality;

- made inquiries regarding significant developments in the reported data;

- considered the presentation and disclosure of the ESG performance data;

- assessed that the process for reporting greenhouse gas emissions data follows the principles of relevance, completeness, consistency, transparency and accuracy outlined in The Greenhouse Gas Protocol Corporate Standard Revised edition (2015);

- evaluated the evidence obtained

Our conclusion
Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us not to believe that the ESG performance data on pages 45-48 in the Sustainability Report 2022 for the year that ended 31 December 2022, has been prepared, in all material respects, in accordance with the Accounting principles.

Copenhagen, 31 March 2023

Deloitte
Statsautoriseret Revisionspartnerselskab
Business Registration No. 33 96 35 56

Lars Siggaard Hansen   **Marie Voldby**
State Authorised   Lead Reviewer
Public Accountant
MNE no 32208

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