

Sustainability- Linked Finance Framework 2022



Background & Rationale

As Denmark's leading digital infrastructure provider, TDC NET builds, owns and operates the next generation of nationwide digital infrastructure. Denmark has a leading position on digitalisation across the EU and TDC NET works to enable the transition to a green and sustainable future.

During 2021 we developed our first sustainability strategy as a standalone company based on an assessment of which issues are most material to us as Network Champions. As the latest IPCC report showed, the negative effects of climate change are unprecedented. In TDC NET we understand that we have a role to play to mitigate these effects for us and future generations.

After receiving approval of our climate targets from the Science Based targets initiative (SBTi), we launched an ambitious climate plan. The objectives of our plan are two-fold; to reduce TDC NET's own climate footprint to net-zero by 2030 and to push digitalisation as an enabler of the green transition.

We are determined to promote sustainability and enable the transition of the Danish society to a green and sustainable future with our digital infrastructure. The Digital Economy and Society Index (DESI) from the European Commission confirmed we have a strong foundation, placing Denmark first in the EU on a compound measure of digitalisation that includes availability of connectivity as well as availability and take up of digital services. We want Denmark to maintain the lead by building the most reliable, resilient, and sustainable network.

At TDC NET we also see that digital infrastructure and digital solutions in general are a key enabler to the reduction of carbon emissions globally. In 2021, we were among the founders of the European Green Digital Coalition, a consortium of ICT companies that seeks to recognise and support green and digital transformation. We have committed to investing in developing green digital solutions that achieve a net positive impact, to developing methods and tools to measure the impact of green technologies and to co-creating guidelines for green digital transformation of other sectors.

Our Sustainability-Linked Finance Framework provides an opportunity for investors to learn about our efforts to reduce or eliminate negative environmental impacts and support us on this journey. We connect Denmark. For Everyone.

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1. Our Approach to Sustainability

Our approach follows six steps, starting with an outline of the situation and setting targets to reach our ambition. With a solid baseline in place, we start to identify topics and initiatives, in close collaboration with colleagues from the business. In the third step we combine all the different initiatives in roadmaps showing the path to reach our targets. Roadmaps and key initiatives are brought for discussion and approval by top management and the Board of Directors.

Following the approval of the roadmaps and key initiatives, the execution phase begins. The identified initiatives are executed together with the relevant business units to integrate the initiatives as a part of their day-to-day business.

We then begin to track and report on progress to ensure we are in line with expectations. The consolidated reporting is done every quarter to management through our internal governance forums. In these forums the roadmaps and initiatives are evaluated and adjusted accordingly.

1.1 Our Sustainability Strategy

Sustainability is an integrated part of our corporate strategy and what we call being ‘Network Champions’. TDC NET takes leadership of changing society for the better, both as a safe and attractive workplace, but also as a truly sustainable company. The ambition, which is deeply rooted in TDC NET's purpose, is to leave a positive footprint on society, people, and the world. In the image below, the overall strategy of TDC NET is presented. Network champions is a core part of it.

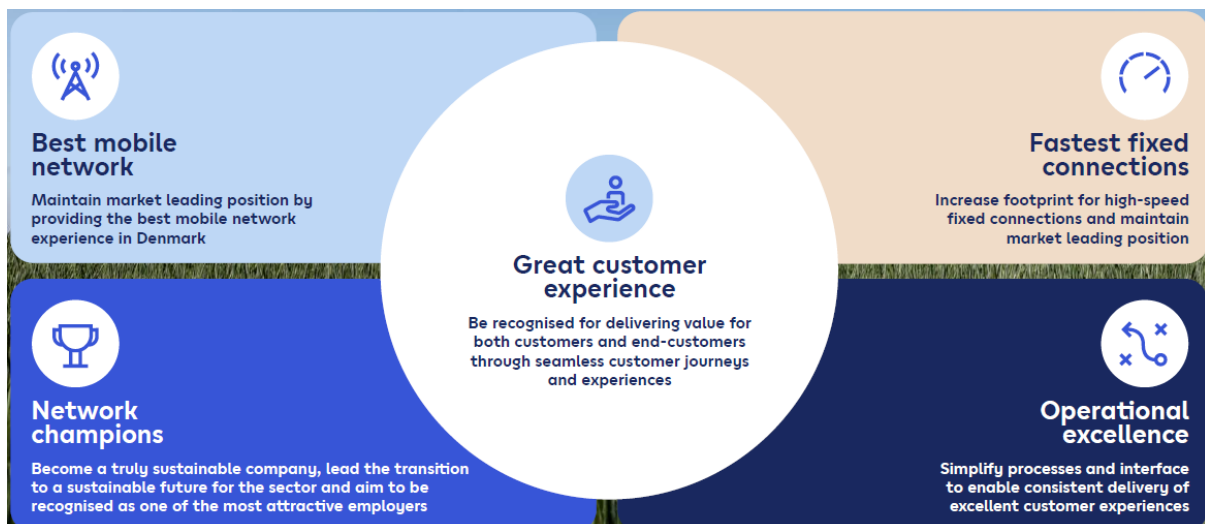


Figure 1: Strategy pillars in TDC NET

As a national, digital infrastructure provider, TDC NET operates in a sustainable manner. The sustainability strategy is based on a materiality assessment, which in turn considers our strategic business priorities, our values and core competencies.

The strategy consists of five elements:

- 1) Futureproof digital infrastructure
- 2) Climate action
- 3) Health and safety
- 4) Diversity and inclusion
- 5) Digital Trust.

All elements are aligned with the United Nations Sustainable Development Goals. Ambitions, targets, and initiatives are defined for each element with a strong focus on delivering results and making impact. This will be ensured via collaboration with the business and anchoring decisions with top management and the Board of Directors.

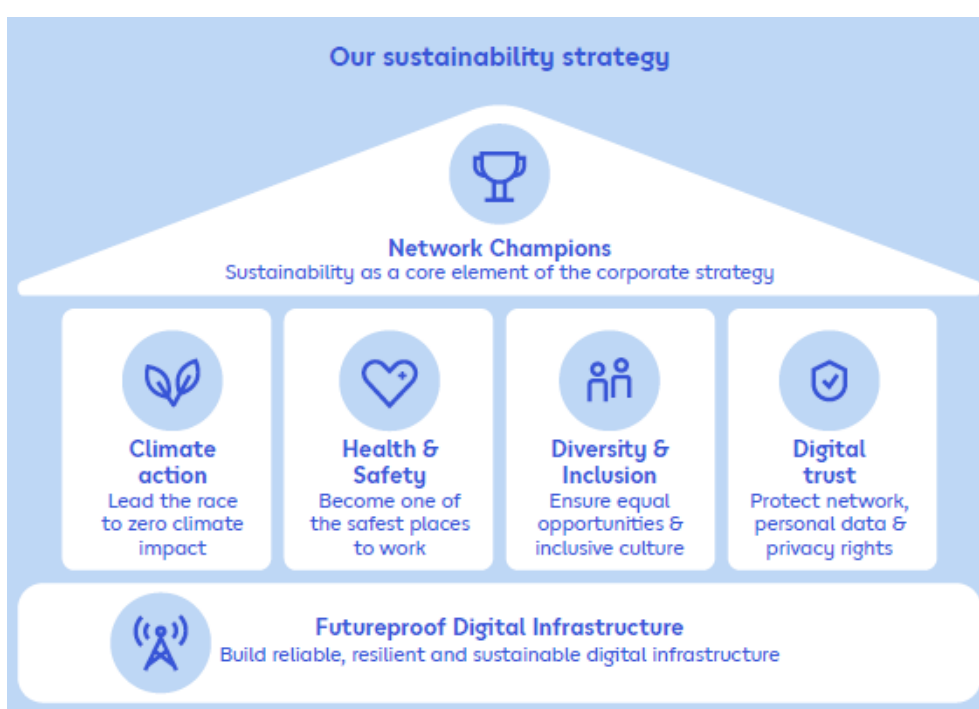


Figure 2: Strategic sustainability priorities for TDC NET

1.2 Sustainability Priorities

In the image below, we present the key targets in each of our 5 strategic priorities on sustainability, for TDC NET. Also, the progress in 2021 is described together with the connection to the relevant SDGs for each of the strategic priorities.

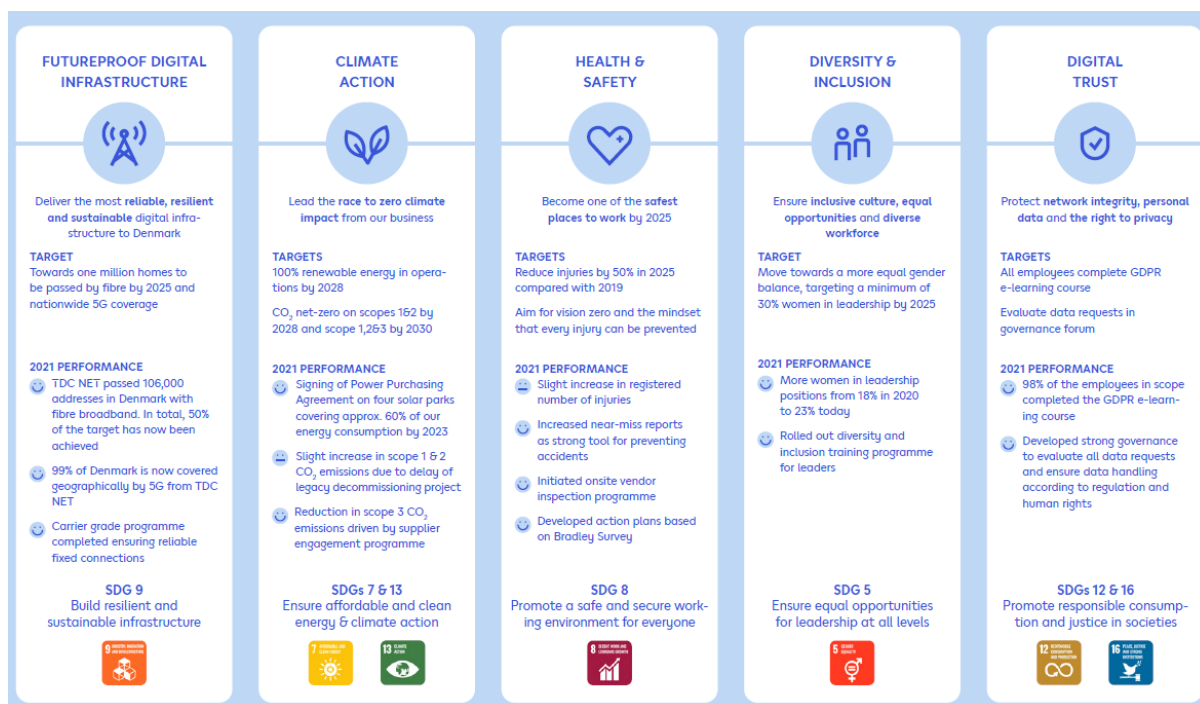


Figure 3: Targets & Progress in five Sustainability Priorities

TDC NET is committed to supporting the SDGs. Seven SDGs have been identified, which are most relevant to TDC NET and our stakeholders and linked to our sustainability goals. More specifically we are prioritising SDGs 5, 7, 8, 9, 12, 13 and 16.



Figure 4: Relevant SDGs for TDC NET

1.3 How we Enable the Green Transition

The enablement effect that the telecommunications industry has in reducing the effect of climate change has been discussed in several publications and previous research. The potential of digital solutions towards reducing carbon emissions has been quantified to be up to 15% according to research done by Boston Consulting Group and ETNO1. European telcos have access to advanced solutions that can push forward environmental and social progress so the ability to enable carbon neutrality at a systemic level should not be missed out. In contrast the whole sector amounts only to 2.6% of the CO₂ emissions globally, which is significantly less than its

¹ BCG & ETNO, “Connectivity & Beyond: How Telcos can accelerate a digital future for all”, 2021, available via <https://etno.eu/downloads/reports/connectivity%20and%20beyond.pdf> (Accessed March 2022)

enablement potential¹. This figure is expected to be reduced even further in the future as telcos in 2021 alone have increased the use of renewable energy by 24%¹ and more and more operators across Europe have made pledges to reach net-zero carbon emissions, which will be supported by investment in fibre cables and 5G network which will lead towards greater energy efficiency.

According to the “Exponential Roadmap” initiative, one of the sectors with the biggest potential and influence on climate change is the digital sector². Digital services have 10 times higher potential to reduce their footprint, energy and materials across the economy and directly enable a third of the emissions reductions by 2030³. Some examples of that could be smart grids in buildings and renewable energy sources, electrification and autonomous vehicles, Internet of Things, optimisation of logistics networks etc.

Understanding how digital technologies can help unleash the full potential of energy generation and consumption in different sectors, the EU has prepared and will plan to adopt within the coming months a plan and roadmap to digitalise the energy sector⁴. The impact of the digital technologies is not only limited to energy efficiency and climate change, but the important effect towards circularity has also been identified. Digitalisation can create more opportunities for data collection and assessment and realise the full potential of circular economy which has not yet been utilised. This is the current work of European Policy Centre’s (EPC) Task Force called Digital Roadmap to Circular Economy and the publication “The circular economy: going digital” which shows these enormous opportunities and how they can be utilised in the future⁵.

In 2021, TDC NET was among the founders of the European Green Digital Coalition (EGDC), a consortium of ICT companies that seeks to recognise and support green and digital transformation. TDC NET has committed to investing in developing green digital solutions that achieve a net positive impact, to developing methods and tools to measure the impact of green technologies and to co-creating guidelines for green digital transformation of other sectors. In 2021, the ambition for the coalition was set and a 2-year programme to deliver on our commitment was initiated.

1.4 Governance & Execution on Sustainability

The sustainability strategy is approved by TDC NET’s Board of Directors. The relevant Board Committees will review results and performance under each theme on an ongoing basis.

² Exponential Roadmap Initiative, “Scaling 36 solutions to halve emissions by 2030”, Version 1.5, 2019, available via https://exponentialroadmap.org/wp-content/uploads/2019/09/ExponentialRoadmap_1.5_20190919_Single-Pages.pdf (Accessed March 2022)

³ Carbon Trust & GSMA, “The Enablement Effect”, 2019, available via <https://www.gsma.com/betterfuture/enablement-effect> (Accessed March 2022)

⁴ European Commission, “Digitalizing the energy sector – EU action plan”, 2022, available via https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13141-Digitalising-the-energy-sector-EU-action-plan_en (Accessed March 2022)

⁵ European Commission, “The Circular Economy: Going digital”, 2022, available via <https://circulareconomy.europa.eu/platform/fr/node/3367> (Accessed March 2022)



Executive Management is responsible for the progress against targets. To ensure the required coordination across the company, a governance forum has been established for each of the five elements of the sustainability strategy. The forums meet quarterly and include senior leaders at TDC NET with accountability for the relevant areas.

Governance is supplemented by external audit of data and processes. The environmental activities are audited as part of the ISO 14001 certified environmental management system, and the health and safety (H&S) approach is reviewed as part of the ISO 45001 certified H&S system. The annual report and sustainability report data and content are independently assured.

In addition, various company policies support governance of ESG risks such as policies on network and IT security, data protection, data ethics, bribery and anti-corruption, and employee code of conduct, where accountability and escalation routes for these policies culminate with the Board of Directors committees. In the image below the sustainability governance is presented along with the relevant forums for each of the key strategic priority areas.

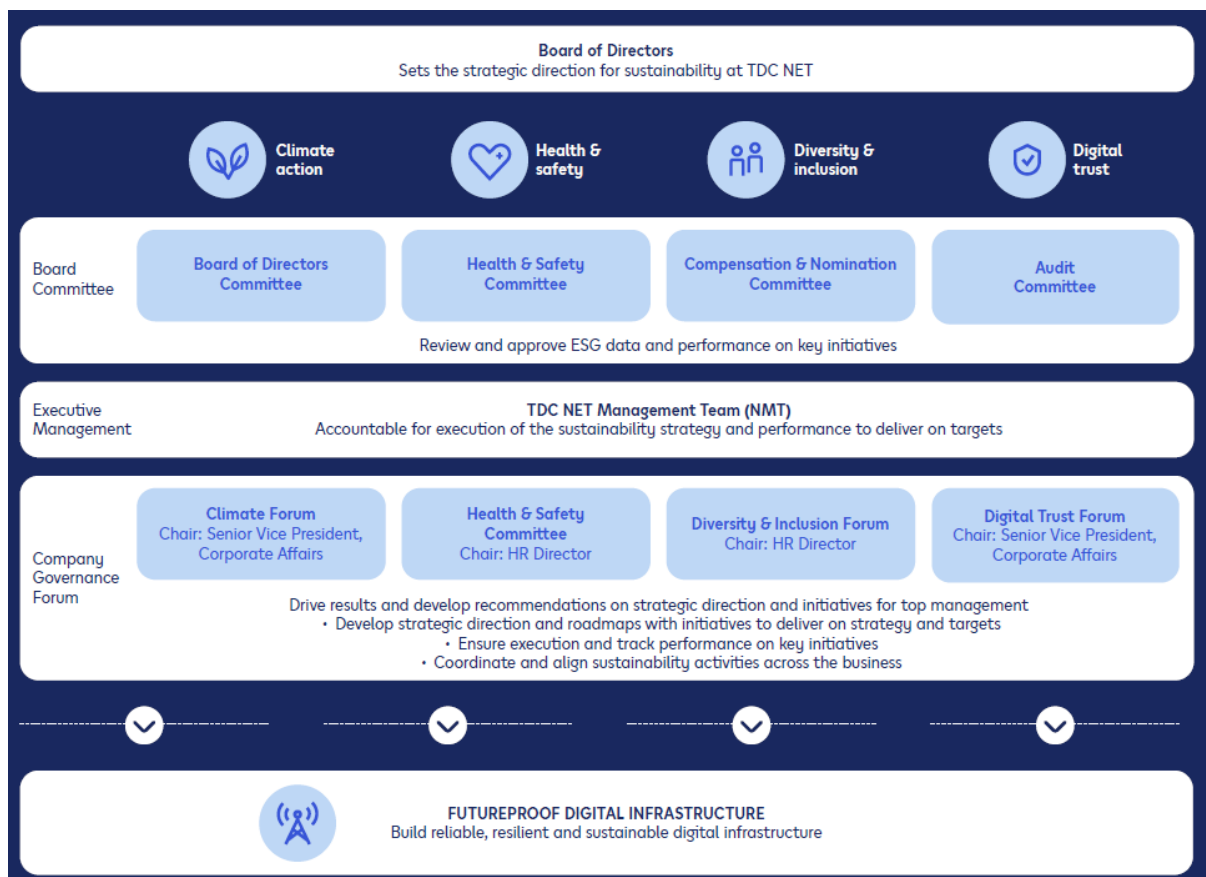


Figure 5: Sustainability Governance and Execution in TDC NET

1.5 Materiality Assessment in TDC NET

TDC NET applies best practice sustainability reporting standards (e.g., Global Reporting Initiative (GRI)) to identify the most material issues for inclusion in the sustainability strategy. This includes the principle of double materiality, identifying the environmental, social, and economic topics with the largest potential impact on the business and topics where TDC NET has an opportunity to mitigate a potential negative impact on society.

The material areas are identified and evaluated via a comprehensive process based on internal and external input. In 2021, interviews and workshops were conducted with key internal stakeholders, including the executive management, board members and selected employees. This was combined with analysis and insights from external reports, global sustainability trends and peer sustainability strategies.

The outcome shown to the graph below covers the areas 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 that the topics with a high score 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. For example, though business risks are linked to energy consumption and greenhouse-gas emissions, digital infrastructure plays an important role in enabling the green transition.

As described on the previous page, the sustainability strategy comprises five elements, addressing the most material issues for TDC NET, which are gathered in the top right corner of the graph.

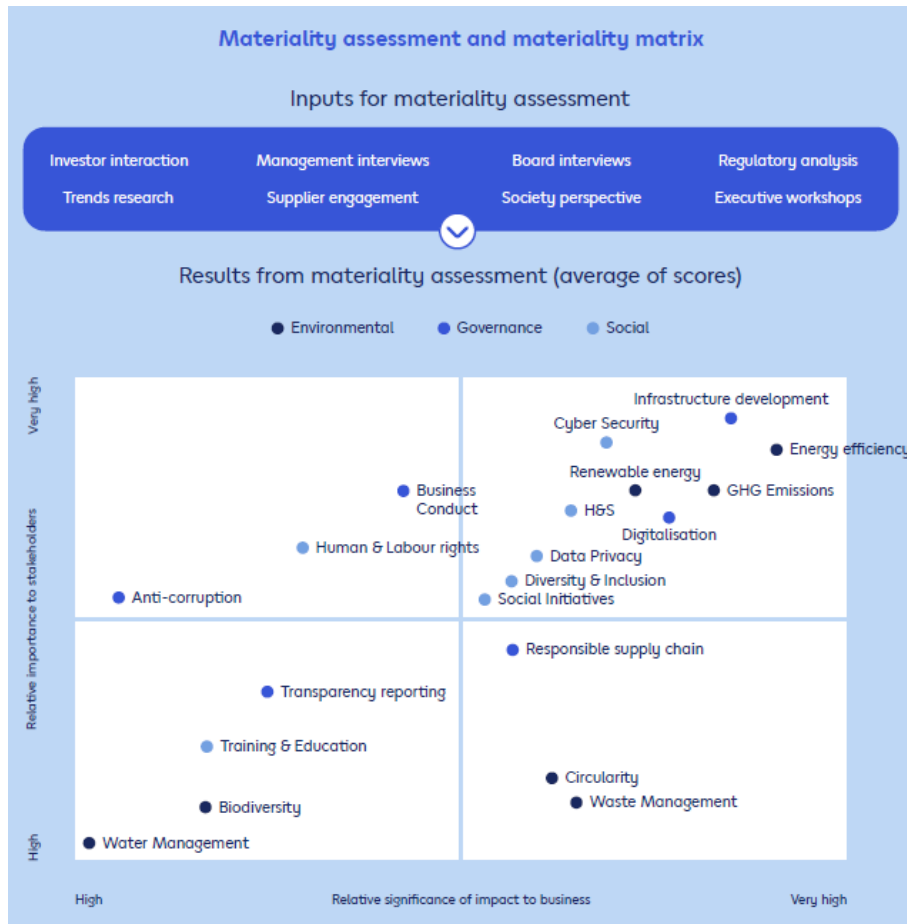


Figure 6: Materiality assessment matrix for TDC NET

1.6 Sustainability Memberships & Ratings

TDC NET has achieved significant recognition from external ratings and benchmarks last year. This is presented in the image below, which consolidates the performance and improvement from previous year as well as comparison of TDC NET’s performance with average industry rating.

Rating and rankings	Description and benchmark	Score
	<p>TDC NET was awarded a Platinum ranking and is thereby among the top 1% on sustainability for all companies assessed worldwide by EcoVadis. This is a significant improvement on the Silver ranking in 2020 (score 65 of 100)</p>	75 of 100
	<p>TDC NET significantly improved the GRESB score in 2021 (from 65 in 2020) and outperformed average for peers and across industries in all score categories</p>	86 of 100
	<p>CDP score TDC NET received a very strong rating from CDP in the first reporting to CDP</p> <p>CDP supplier engagement score TDC NET was ranked in the Leadership band on supplier engagement with a rating above industry peers as well as across industries. This rating confirms that TDC NET is implementing best practices on supplier engagement</p>	B
	<p>TDC NET was ranked as a 'low risk' company and placed as number 1 among telecommunication peers measured by market cap on sustainability and in the top 5% across all industries. A low score indicates a strong performance</p>	12.8 of 100

Figure 7: External ESG ratings of TDC NET

TDC NET is an active member in many European and international consortiums and organisations to help deliver innovation which will be foundational to positive business environments and societal change. In the image below the most significant partnerships and alliances are presented.



Figure 8: TDC NET's memberships, partners and alliances

1.7 EU taxonomy

As part of the European Green deal to become the first climate neutral continent by 2050, the European commission has established the EU Taxonomy to enable sustainable investments. The taxonomy is a catalogue of environmentally sustainable economic activities, each with criteria to determine their positive contribution.

For 2021, our reporting involves only the eligibility of our activities related to data centres (activity 8.1 “Data Processing, hosting and related activities” in EU Taxonomy appendix of climate mitigation). Currently, taxonomy regulation does not include criteria for the economic activity “Provision and operation of a network infrastructure for telecommunications”, which is the core part of our business and a key enabler for global reductions of environmental impacts and transition to a more sustainable future. Digital solutions are required for achieving EU Green Deal’s sustainability goals and this has not been sufficiently captured in the taxonomy guidance.



We currently lobby and work together with our peers in Europe, mainly through our engagement in ETNO (European Telecommunications Network Operators Association), to ensure that such criteria exist in future versions of the regulation.

At the same time, EU Taxonomy covers activities that are relevant to us and our business, for example transport related activities (especially as we are planning to transition our fleet to green) and also our investment in solar parks. With the data that are currently available to us, and in light of the evolving interpretation of the taxonomy definitions and categories, for 2021 it has not been possible to conclude a solid eligibility assessment of such activities. We have therefore chosen a conservative approach, including these activities as zero percent in all three KPIs.

We have defined the capital expenditures percentage in the context of EU Taxonomy as the percentage of the complete capital expenditure of TDC NET that is attributed to the data centres and the operational expenses percentage as the part of the overall operational expenses that is attributed to operation and maintenance of the data centres. As operational expenses are defined differently in the context of EU Taxonomy from how they are defined at TDC NET, some costs, such as overhead, power and rent are excluded from the calculation. In the case of capital expenses, the costs related to infrastructure investments on design, planning, architecture, hardware (servers) and third-party support agreements are included. The revenue indicator is associated with the income based on existing contracts for using data centre services.

We have already begun preparing the alignment assessment for next year and will also work with peers to ensure harmonised reporting on activities next year, based on aligned views on the interpretation of the taxonomy text and requirements.

During 2021, our taxonomy-eligible share of revenue (turnover) was 0.2%, whereas the shares of our operating expenses (OPEX) and capital expenditure (CAPEX) was 1.5% and 1.2% respectively.

Table 1: Taxonomy figures for 2021 - eligibility reporting

EU Taxonomy reporting 2021	DKKbn	Eligible (%)	Non-eligible (%)
Revenue (turnover)	6.8	0.2%	99.8%
Operating expenses (OpEx)	4.4	1.5%	98.5%
Capital expenditures (CAPEX)	3.1	1.2%	98.8%

2 Sustainability-Linked Finance Framework

This Framework is aligned with the Sustainability-Linked Bond Principles (SLBP) published by the International Capital Market Association (ICMA) in June 2020, and the Sustainability Linked Loan Principles (SLLP), as published by the Loan Market Association (LMA). Under the Sustainability-Linked Finance Framework, TDC NET can issue different types of Sustainability-Linked Instruments, including bonds and loans. Instruments issued under the Framework will refer to this Framework document in the transaction specific documentation. In accordance with the SLBP and SLLP, the five core components of this Sustainability-Linked Finance Framework are:

- Selection of Key Performance Indicators (KPIs)
- Calibration of Sustainability Performance Targets (SPTs)
- Financial characteristics
- Reporting
- Verification



Sustainability Linked Loan Principles

Supporting environmentally and socially sustainable economic activity

2.1 Selection of Key Performance Indicators (KPIs)

The KPIs that have been included for the purpose of this Sustainability-Linked Finance Framework reflect TDC NET's key environmental challenges. By focusing our efforts on reducing our environmental footprint and improving energy efficiency, ambitious targets (SPTs) can be set and strategies on achieving the targets can be formulated and executed in line with our sustainability strategy.

We have selected 2 KPIs for this Sustainability-Linked Finance Framework.



GHG emissions

- **KPI 1:** Scope 1 and 2 GHG emissions in metric tons CO₂ eq.
- **KPI 2:** Scope 3 GHG emissions in metric tons CO₂ eq.

KPI 1 and 2 refer to the EU environmental objective "Climate Change Mitigation", as well as the United Nations Sustainable Development Goal 7 "Affordable and Clean Energy", the United Nations Sustainable Development Goal 9 "Industry, Innovation and Infrastructure" (as one of our key strategic priorities is to build the most reliable, resilient, and sustainable network) and the United Nations Sustainable Development Goal 13 "Climate Action".



2.1.1 Definitions

KPI 1 defines our scope 1 and 2 GHG absolute emissions

This includes CO₂ and other GHG emissions as defined in the GHG Protocol. Scope 1 being emissions fuel in our vehicles, the oil in our backup generators and other energy sources we use in our operations and scope 2 being indirect GHG emissions from the electricity we purchase to power our operations and the heat from district heating.

KPI 2 defines our scope 3 GHG absolute emissions

This includes CO₂ and other GHG emissions as defined in the GHG Protocol. Scope 3 emissions relate to the emissions generated in our upstream and downstream value chain that result from our operations. SBTi Net-Zero Standard requires at least 90% of scope 3 emissions covered.

2.1.2 Measurability

Emissions covered by the SPTs cover TDC NET's scope 1&2 and 100% of our scope 3 GHG emissions. GHG emissions are measured using the carbon dioxide equivalent (CO₂e) to include relevant GHGs according to Greenhouse gas accounting standards issued by the Greenhouse Gas Protocol. A distinction is made between scope 1, 2, and 3 emissions, as defined by the GHG Protocol.

2.2 Calibration of Sustainability Performance Targets (SPTs)

SPT 1: Reach net-zero Scope 1 & 2 CO₂e emissions (own operations) by 2028 from a 2020 baseline

SPT 2: Reach net-zero Scope 3 CO₂e emissions (from business activities -upstream and downstream value chain) by 2030 from a 2020 baseline

The above targets follow a reduction trajectory until 2028 and 2030, with annual targets every year. This is presented in the sections below.

2.2.1 Baseline and historic data

The updated CO₂e baseline⁶ for Scope 1, 2, and 3 emissions is reflected in the Sustainability key figures in the Annual Report and Sustainability Report 2021, which is covered by Deloitte's limited assurance opinion.

In the table below, please find the performance data for the two SPTs from 2019 to 2021.

Table 2: Historical and baseline values for KPI 1 & 2

KPI	2019	2020	2021
KPI 1: Scope 1 & 2 GHG emissions (metric tons CO ₂ e)	80,487	81,504	84,001

⁶ Baseline has been updated due to changes in emission factors and allocation of emissions due to the dissolution of TDC Group into TDC NET and Nuuday that took place

KPI 2: Scope 3 GHG emissions (metric tons CO ₂ e)	104,944	109,633	100,511
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2.2.2 SPT 1: Net-zero Scope 1 & 2 CO₂e emissions by 2028

2.2.2.1 Ambitiousness of SPT 1

Our target is to reach net-zero CO₂e emissions in own operations (scope 1 & 2) by 2028, with 2020 as the baseline year. The Scope 1 and 2 reduction target is in accordance with (and more ambitious than) the 1.5 °C pathway. The 2020 baseline target was validated by the Science Based Targets initiative (SBTi) in July 2021.

The annual target for this KPI is presented in the table below:

Table 3: Trajectory for KPI 1

Trajectory for KPI 1 – Scope 1 & 2											
			Forecast								
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
KPI level scope 1&2	100%	Not relevant	90%	50%	45%	40%	30%	20%	0%	0%	0%

2.2.2.2 Actions to achieve SPT 1

To meet the SPT of reducing scope 1 and 2 GHG emissions, TDC NET has identified and launched the following initiatives:

- **Renewable Energy.** Cover 100% of energy consumption from high impact renewable energy sources
- **Green Fleet Transition.** Optimise technician routes to reduce km travelled by up to 5% and convert fleet to electrical cars and vans
- **Excessive Heat Utilisation.** Utilise excessive heat from data centres and equipment with e.g., heat pumps
- **Energy Efficiency Initiatives.** Invest in the most energy efficient technology and reduce energy consumption in network
- **Conversion of gas/oil to district heating/electricity:** Convert the natural gas and oil heating in our buildings into district heating/electric heat pumps

2.2.2.3 Benchmarking of SPT 1

TDC NET's targets are aligned with the 1.5-degree scenario from SBTi and are validated based on that. However, we also go way beyond that, as our near-term target for 2030 is to reach net-zero GHG emissions across our value chain (Scope 1,2 and 3). This net-zero target is currently being validated by SBTi in accordance with the latest net-zero guidelines as one of the most ambitious climate targets across industries.



By benchmarking our target against the ambition stated in the Paris Agreement, we have aligned our targets with a firm scientific basis.

2.2.3 SPT 2: Net-zero Scope 3 CO₂e emissions by 2030

2.2.3.1 Ambitiousness of SPT 2

Our target to reduce scope 3 emissions is aligned with the 1.5-degree scenario and it has been validated and approved by SBTi. However, in TDC NET we are more ambitious, and we have set a net-zero emission target for 2030, with a 2020 baseline year. This target is currently being validated by SBTi in accordance with the latest net-zero guidelines as one of the most ambitious climate targets across industries.

The calculation of scope 3 is in alignment with the GHG protocol framework. The annual target for this KPI is presented in the table below:

Table 4: Trajectory for KPI 2

Trajectory for KPI 2 – Scope 3											
			Forecast								
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
KPI level scope 3	100%	Not relevant	90%	85%	80%	75%	70%	65%	60%	45%	0%

2.2.3.2 Actions to achieve SPT 2

To meet the SPT of reducing scope 3 GHG emissions, TDC NET has identified and launched the following initiatives:

- **Supplier Engagement.** Engage with top suppliers to set climate targets and provide data transparency
- **Sourcing excellence.** Identify carbon intensive purchases early in the sourcing process and incorporate CO₂ related requirements into tenders and contracts
- **Fuel and energy related emissions.** Convert to green energy using only high impact renewable energy sources
- **Business travel.** Increases post-lockdown will be mitigated through a strict travel policy and by encouraging hybrid workspace and more meetings online, which will reduce travel time
- **Employee commuting:** Implement hybrid workplace and encourage employees to work some days from home (initiative titled ‘Pioneering digital collaboration’)
- **Avoid & Offset.** Promote solutions to avoid emissions and follow the development of carbon removal projects



2.2.3.3 Benchmarking of SPT 2

TDC NET's scope 3 emission target is aligned with the 1.5-degree scenario and has been approved by SBTi. The net-zero target is currently under evaluation from SBTi and is pending approval.

By benchmarking our target against the ambition stated in the Paris Agreement, we have aligned our targets with a firm scientific basis.

2.3 Financial Characteristics

Characteristics outlined in this Framework are applicable to all Sustainability-Linked Finance Instruments issued under it. The proceeds of Sustainability-Linked Finance Instruments will be used for the purposes specified in the relevant instrument, which may include, among others, general corporate purposes and refinancing.

The selection of KPIs and related SPTs to be applied to a specific Sustainability-Linked Finance Instrument will be detailed in the security specific documentation.

Sustainability-Linked Bonds

For any bond issued under this Framework, there will only be one possible Trigger Event which would impact the financial characteristics of the security. Depending on the KPI performance in relation to the SPTs (as outlined below), a coupon step-up or increase in the redemption price may occur. An increase in coupon will apply to the relevant bond from the first day of the next interest period following immediately after the Trigger Event until maturity.

An increase in coupon or redemption price shall be triggered if:

- a KPI has not achieved the SPT on the Reference Year, or
- the reporting does not meet the requirements as set out in the terms and conditions of the relevant bond documentation, or
- the verification (as per the terms and conditions of the relevant security documentation) of the KPI performance has not been provided and made public on or prior to the Reference Year.

Unless otherwise indicated by TDC NET in the respective Sustainability-Linked Finance terms, the KPIs are assigned an equal weighting, based on materiality and the level of ambition for TDC NET's operations, when determining the aggregate coupon step-up or increase in the redemption price. This information will be further specified in the documentation of each respective Sustainability-Linked Instrument issued under this Framework.

For the avoidance of doubt, if for the Reference Year, all KPIs have achieved their respective SPTs, and reporting and verification for the KPI performance have been provided and made public in accordance with the terms and conditions set out in the relevant security documentation, the financial characteristics of the relevant security issued by TDC NET under the Framework shall not change.



Sustainability-Linked Loans

For any Sustainability-Linked Loan issued under this Framework, there will be annual Observation Dates which can trigger margin adjustments. Depending on the KPI performance in relation to the SPTs, an increase or decrease in the margin may occur and will be outlined in the loan specific documentation.

2.3.1 Fallback Mechanisms

The levels of CO2e emissions during the base year for the KPIs will be recalculated to reflect any significant changes in TDC NET's structure (e.g., acquisition, divestiture, mergers), technical changes (i.e., an updated IT system, changes required for obtaining a higher level of assurance) or quality improvements (adjustments in calculation methodologies to estimate emissions more precisely). Recalculations will be done in accordance with our policy for baseline adjustments for carbon emissions, which stipulates *inter alia* that changes must be retroactively applied to previous years to ensure comparability between reporting years. Any recalculations of levels of CO2e emissions during the base years for the KPIs must be reported in TDC NET's Sustainability-Linked Finance progress reporting, which includes Sustainability-Linked progress reports and/or Sustainability Certificates (see the reporting section below) verified by an independent, qualified external reviewer as outlined in the verification section of this Framework.

The KPIs and SPTs set out in this framework will remain applicable throughout the tenor of any security issued under the Framework, regardless of any changes to TDC NET's sustainability strategy, including any changes to the company's general sustainability targets and ambitions or changes in applicable benchmarks or industry standards.

Any new or updated Sustainability-Linked Finance or Bond Framework, in relation to any subsequent capital markets transactions, shall not have any implications on the Instruments issued under this Framework or the Framework itself.

2.4 Reporting

To provide investors and other stakeholders with adequate information about TDC NET's implementation of our sustainability strategy in general and progress made on the KPIs, and whether the SPTs have been achieved, as specified in this Framework, TDC NET will provide relevant reporting. This includes Sustainability-Linked progress reporting and/or sustainability certificates. The Sustainability-Linked progress reporting shall be made publicly available on an annual basis in a dedicated annex in TDC NET's Annual Sustainability Report.

The progress reporting shall be published on the company web page no later than 150 days after each calendar year-end.

The reporting will form the basis for evaluating the impact on the financial characteristics as outlined in the section "Financial Characteristics". The reporting will contain all the relevant information needed to assess if a Trigger Event has



occurred in respect of any relevant outstanding characteristics including but not limited to:

- The performance of the KPIs, as per the Reference Year including the calculation methodology and baselines where relevant;
- Information about recalculations of the KPI levels;
- Verification relative to the KPI performance, outlining the performance against the SPTs and the related impact, and timing of such impact on the financial characteristics; and
- Information on any updates to TDC NET's sustainability strategy and/or governance with an impact on the KPIs and SPTs.

Where feasible and possible the progress reporting will also include:

- Qualitative and/or quantitative explanations of the contribution of the main factors, including M&A activities, behind the development of the performance on the KPIs on an annual basis
- Illustration of the positive sustainability impacts of the performance improvement
- Any re-assessments of the KPIs and/or restatement of the SPTs and/or proforma adjustments of baselines or KPI scope
- Updates on new or proposed regulations from regulatory bodies, such as but not limited to the EU relevant to the KPIs and the SPTs

The performance level against each KPI outlined above shall be verified by a qualified external reviewer with relevant expertise as described in section "Verification".

2.5 Verification

In order to provide transparency to investors and in alignment with the Sustainability Linked Bond Principles and the Sustainability-Linked Loan Principles, TDC NET will ensure that a verification of its actual performance level against the SPT Trajectory for the KPIs is carried out on an annual basis by a qualified external and independent reviewer with relevant expertise (as outlined in the Guidelines for Green, Social, Sustainability and Sustainability-Linked Bonds and Loans developed by the Green and Social Bond and Loan Principles). The verification shall be conducted with limited assurance by the external reviewer. TDC NET has the discretion to change the external reviewer subject to fulfilling the requirements set out herein. The ex-ante reviewer of the Sustainability-Linked Finance Framework shall differ from the ex-post reviewer.

The verification of the actual performance relative to the SPT(s) shall be made public together with TDC NET's reporting on the company's webpage no later than the Notification Deadline in each year as set out in section "Financial Characteristics" and specified in the instrument specific documentation for as long as any instruments issued under this Framework remain outstanding. The verification will form the basis for evaluating whether a Trigger Event has occurred in respect of any instruments issued under this Framework as described in section "Financial Characteristics".



Failure to provide the ex-post verification before the Notification Deadline in any year up to and including the year following the Reference Year for any instruments issued under this Framework, shall result in an adjustment in the financial characteristics of such instruments as outlined in the documentation.

2.5.1 Second-Party Opinion

TDC NET has engaged Sustainalytics as an external reviewer to provide, in accordance with the Guidelines for Green, Social, Sustainability and Sustainability-Linked Bonds and Loans External Reviews developed by the Green and Social Bond Principles and Loan Principles, an independent, ex-ante Second Party Opinion on TDC NET's Sustainability-Linked Finance Framework. The Second Party Opinion will be made publicly available on TDC NET's website together with this framework.

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The second party opinion provider and providers of similar opinions and certifications are not, as at the date of this Framework, subject to any specific regulatory or other regime or oversight. Any such opinion or certification is not, nor should it be deemed to be, a recommendation by TDC NET, any second party opinion provider or any other person to buy, sell or hold sustainability-linked bonds, loans or other debt instruments. Investors have no recourse against TDC NET or the provider of any such opinion or certification in respect of the contents of any such opinion or certification, which is only current as at the date it was initially issued. The second party opinion and any other opinion or certification is not intended to address any credit, market or other aspects of any investment in any sustainability-linked bonds, loans or other debt instruments, including without limitation market price, marketability, investor preference or suitability of any security or any other factors that may affect the value of the sustainability-linked bonds, loans or other debt instruments. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in any sustainability-linked bonds, loans or other debt instruments. Any withdrawal of any such opinion or certification or any such opinion or certification attesting that TDC NET is not complying in whole or in part with any matters for which such opinion or certification is opining on or certifying on may have a material adverse effect on the value of the sustainability-linked bonds, loans or other debt instruments and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

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