



# Corporate Social Responsibility 2012

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## Our approach

At TDC, responsibility and sustainability are natural aspects of our business. We appreciate that we are part of society and that we have an important role to play. Our approach to Corporate Social Responsibility (CSR) therefore starts in our business areas and reflects our ambition to actively use our core competences and strengths to promote sustainable development in society.

Our focus on CSR also supports our business by ensuring awareness of the needs and expectations of our stakeholders, by reducing TDC's exposure to risks, and by supporting innovation and enhancing the company's reputation in society. Our strategic approach to CSR thus allows us to create value for both society at large as well as our business.

*"TDC will use its core competences to promote sustainable development in society."*

## Five focus areas

More specifically, TDC's approach to responsibility and sustainability is structured around five focus areas, which are defined in our CSR strategy. These areas have been selected for their strategic link to TDC's core business and are thus the issues of most significance to our company, and where we can make the greatest difference. The five focus areas are:

- Digital Denmark
- Customer trust and safety
- Climate and environment
- Employee well-being and diversity
- Social partnerships

Our CSR strategy covers the entire TDC Group, including Nordic and Danish subsidiaries.

This report describes the specific ambitions for the five focus areas, explains how these have been translated into concrete actions, and outlines the results that have been achieved.

Results for 2012, future objectives and a more detailed review of TDC's CSR activities are available in our online CSR Report 2012, which is accessible at [tdc.com/csr2012](http://tdc.com/csr2012).

## Wide-ranging commitments

We are also committed to working with CSR from a global perspective, and TDC is therefore a member of the UN Global Compact, the largest global initiative on corporate social responsibility, which aims to involve private companies in solving some of the major social and environmental challenges caused by globalisation. The principles of the Global Compact also serve as inspiration for TDC's CSR strategy, for example in the areas of sustainability and responsible supply chain management.

TDC is also engaged in discussions on societal challenges of relevance to our business areas through a number of forums at national, European and global levels. These include the Telecoms Industry Association (TI) in Denmark, the European Telecommunications Network Operators' Association (ETNO) at the European level, and the Global e-Sustainability Initiative (GeSI) at the global level.

### Statutory text pursuant to Section 99a

The following constitutes TDC's statutory reporting on Corporate Social Responsibility in accordance with Section 99a of the Danish Financial Statements Act for the financial year 2012. As in previous years, and as a supplement to the statutory reporting on social responsibility, TDC's CSR Report is available online via [www.tdc.com/csr](http://www.tdc.com/csr). The CSR Report has been prepared in compliance with the Global Reporting Initiative's (GRI) *sustainability reporting guidelines* (G3.1). As a member of the UN Global Compact, TDC also submits an annual Communication on Progress report (COP) to the Global Compact.

# 1. Digital Denmark

With the 'Digital Denmark' focus area, TDC wishes to promote a digital agenda and support digitalisation across society. We wish to secure Denmark's continued development as a leading digital country – for the benefit of citizens, businesses and society at large. We are therefore not only maintaining our ambitious investments in IT infrastructure, but in line with TDC's new strategy for 2013-2015, we are setting aside a further DKK 500 million for that purpose. Consequently, in 2013 alone, TDC will invest DKK 3.7 billion in enabling even more people to gain access to faster connections and more services.

TDC is also committed to promoting greater use of IT and communications technology in Danish schools and educational institutions, and to supporting the expansion of telemedicine and digital solutions in other welfare services. TDC is consequently helping to develop digital welfare services for the benefit of the Danish population, while also preparing society to deal with future challenges and developing business opportunities as new technologies become available.

Finally, TDC is proud to contribute to the Danish government's work on a strategy to exploit the growth potential of information and communications technology (ICT). Our CEO Carsten Dilling is a member of the government's *Growth Team for ICT and digital growth*, which will submit recommendations on how companies can strengthen their competitiveness and growth through increased use of digitalisation.

## Towards even stronger coverage

In 2012, TDC considerably expanded its mobile network and remains the company offering the widest geographical coverage for both voice and data across technologies. With the continued development of our 3G mobile network, 70% of the Danish population now has access to mobile data coverage at speeds of 21 Mbps or greater. With the acquisition of the LTE800 licence, TDC has obtained a solid basis for rapidly and efficiently expanding a nationwide 4G mobile network towards 2015, which will significantly improve access to mobile broadband connections - particularly in parts of Denmark where internet access is not currently strong.

TDC has also continued to invest in expanding its access network capacity (fibre-optic, coax and DSL / copper-based) to provide increased data speeds for end users. At the end of 2012, TDC and YouSee together were able to provide 88% of the Danish population with broadband (10 Mbps or faster) through cabled connections, which means we are well on our way to achieving our goal of 89% coverage by the end of 2013. With regard to even higher broadband speeds, TDC can already provide 45% of all Danish households and enterprises with connections of between 50 and 100 Mbps, and by continuing to invest heavily in our networks, we aim to extend this coverage to 65% of the population by the end of 2015.

## IT in Education

TDC remains firmly committed to promoting digital solutions in Danish schools and educational institutions. We already provide internet and telephony for a large number of schools and institutions, and this gives us a strong platform for promoting the use of IT-based teaching materials, including integrated online services in classrooms, also known as 'e-learning'.

Concrete examples include projects with schools in Odder Municipality, along with Odder Gymnasium and Støvring Gymnasium (both upper secondary schools). In these cases, TDC provided mobile broadband connections for iPads used by students and teachers, thereby paving the way for new digital learning tools with full mobility. When pupils and students no longer need to rely on Wi-Fi access, they can exchange photos, make podcasts or download videos – anytime and anywhere.

## Telemedicine

In 2012, TDC continued its commitment to promoting telemedicine and welfare technology solutions across Denmark, as we see great perspectives in using technology to provide smarter welfare services within healthcare and related areas. This can potentially improve citizens' quality of life, while making everyday life easier for care personnel and reducing healthcare costs.

During the course of 2012, TDC participated in a number of telemedicine and welfare technology projects, including video communications solutions for e.g. patients suffering from recently diagnosed type-2 diabetes, and for the treatment of military personnel suffering from PTSD and related conditions due to traumatic experiences from past military missions.

TDC also participated in a pilot project with Langeland Municipality involving the use of video telephony to provide direct online contact between elderly citizens and home care personnel. In this way, part of the contact between care staff and citizens can take place quickly and easily for the benefit of both - with the added advantage of providing a more 'lifelike' form of communication than a regular telephone.

## 2. Customer trust and safety

At TDC, our work revolves around our customers, which makes it essential that our customers trust us as a company and feel safe and secure when using our products and services. We therefore strive to ensure that our products score top marks on safety, and we have specified requirements concerning sustainability and human rights in relation to our suppliers. We also work on ensuring that our customers feel well-informed on how to enjoy full use of our products in a safe manner.

When it comes to ensuring our customers' satisfaction, security and confidence, customer dialogue is among the most important tools. We therefore always seek to engage in dialogue at eye level with our customers – based on their needs and expectations.

### Safe use of TDC products

At TDC, we help our customers to enjoy the full potential of their products in a confident and secure manner by prioritising customer dialogue e.g. through electronic newsletters and our online security portal, which offers advice on how to handle viruses, spam and fraud. TDC's general spam and virus filters stop many millions of unwanted and malicious e-mails before they reach our customers' inboxes. We also give our customers a choice of products with extra security and safety features, such as TDC Secure for broadband connections, and special phones for people with reduced hearing.

TDC also takes responsibility for focusing on the safe use of mobile phones in traffic through a three-year cooperation with the Danish Road Safety Council under the heading 'Kør bil, når du kører bil' ('Focus on driving when you're driving'). In 2012, the project's TV campaign was supplemented by a mobile site providing a test illustrating how long users would have driven 'blindly' while texting. An assessment report showed that 67% of all respondents had seen the 2012 campaign, and as many as 94% of them could recall the campaign messages unaided.

In 2012, TDC also joined the board of the newly established Council for Digital Security, which aims to create a solid and wide-ranging platform for qualified debates and policy proposals on how Denmark can continue to benefit from the possibilities of digitalisation in a secure manner.

### Attentive customer dialogue

TDC continuously strives to maintain an attentive and trusting customer dialogue through our customer services, electronic newsletters and social media, including Facebook and Twitter, where we invite customers and the general public to give us input feedback on our products and services. Throughout 2012, we were very successful in continuously strengthening dialogue through Facebook, where the number of users following TDC has increased from approximately 22,000 to almost 50,000. In this way, we can keep even more followers informed of new initiatives and products, while also providing service updates.

In 2012, we continued our special initiative on customer dialogue featuring guidance on the use of smartphones under the heading 'Kom godt i gang' ('Off to a good start'). Customers can now book a free training session in any of our TDC Shops across Denmark, where they can get advice on how to set up apps, send e-mails and surf the internet on their phones. We have also expanded our online advice on mobile telephony, particularly regarding smartphones. Since more than four out of five mobile phones currently sold by TDC are smartphones, this enables us to take responsibility for ensuring that our customers enjoy full use of the many functions these products offer.

### 3. Climate and environment

At TDC, we constantly work to minimise our impact on the climate and environment, both in terms of impacts from our own activities and those of our customers when using TDC products. We do so both in order to take responsibility for our impact on the environment, and because this helps save valuable resources.

Our efforts to become more environment-friendly cover not only in-house initiatives, as we also use our size and business potential to help and encourage others to be better at caring for the environment and the climate. Telephony, internet and video conferencing can often replace long car and plane journeys, and our products can provide society with more eco-friendly solutions. For all these reasons, environmental concerns are given high priority throughout TDC, and have been for many years.

At TDC, we have set an ambitious target of reducing our CO<sub>2</sub> emissions by a total of 40% compared with 2010. This target is in line with the most recent – and ambitious – climate goals from both the EU and the Danish government. In order to achieve our target, we are structuring and focusing our work on reducing our consumption of electricity for networks and technology as well as fuel for vehicles. The challenge is to become 40% more energy efficient while expanding our network and increasing connection speeds to benefit customers and society at large.

#### In-house initiatives

In 2012, TDC implemented a new and innovative in-house energy control tool, which will provide an even better overview and enable us to optimise our energy consumption. We have also implemented projects to ensure optimisation of the most energy-consuming parts of our network and to continually adjust to the needs of our customers.

At TDC, we also employ the technologies we work with to reduce our own transportation needs, especially through telephone and video conferences. Besides reducing our CO<sub>2</sub> emissions, these solutions allow us to make the most of our time by being more efficient, and make it possible to achieve increased employee satisfaction by minimising the number of days spent travelling instead of being with family and friends.

Another particularly successful initiative concerns the two electric cars made available for employees who need to make short journeys in the Copenhagen area. As a supplement, we are currently testing a larger electric car, which may eventually become the future 'van' for our many technicians.

In addition, TDC is continuing its efforts to ensure that dangerous waste is handled environmentally responsibly and that a high percentage of waste from TDC is recycled. In 2012, we were thus able to recycle 59% of our waste, while though a small decrease from 2011 still represents a good result for our type of business. Looking ahead, we aim to increase the amount of waste recycled to 60% by the end of 2013. This is considered to be a very reasonable target for our type of business.

## External initiatives

Externally, we take responsibility for minimising our customers' environmental impact in a number of ways, including by supporting a 'Code of Conduct' stipulating requirements for equipment that we buy from suppliers. In this regard, it is particularly important for us to focus on minimising the electricity consumption that our products incur on our customers. It is also vital that the equipment we use is cutting-edge with regard to both national and international requirements. Looking ahead, we will be increasing our efforts to collect old mobile phones for recycling from customers, e.g. through the 'Byt til Nyt' ('Swap for New') initiative in TDC's shops, where customers can trade in their old mobile for a discount on a new model. In doing so, we aim to make old mobiles available for recycling and reuse, to benefit both the environment as well as users in developing countries.

In addition, the information and communications technology (ICT) at the core of TDC's business holds huge potential in relation to both the environment and climate. The social and environmental value of this technology is not generally appreciated, but the organisation 'Global e-Sustainability Initiative' (GeSI) - of which TDC is a member - has published a report explaining how the use of ICT can enable global reductions of up to 16.5% in CO<sub>2</sub> emissions. Our collaboration with GeSI also allows us to strengthen our dialogue with global suppliers in order to ensure compliance with human rights and improved sustainability of the products we purchase.



## 4. Employee well-being and diversity

For many years, TDC has endeavoured to be a diverse workplace that welcomes all kinds of employees. Diversity is on our agenda because we value having a diverse and competent workforce irrespective of gender, ethnicity, sexual orientation and functional capacity. Since TDC is a company that deals with all types of customers, we want our staff to reflect the society in which we operate.

At TDC, taking responsibility for our employees' well-being in its widest sense forms a natural part of our business. That applies in day-to-day work, when developing employee competencies and when training our managers. In fact, over the past five years, general employee satisfaction has increased significantly - and we will continue our initiatives. We also pay great attention to the work environment and prevention of work-related accidents.

### Diversity

TDC has signed the Danish Ministry for Gender Equality's 'Charter for more women in management' and has defined clear targets for more women in top management and for more female managers in general, with the aim of contributing towards ensuring increased diversity among managers at TDC. Thus, by the end of 2015, we are aiming for 33% of the top managers across the Group to be women.

TDC also focuses on equal opportunities irrespective of gender in relation to parental leave, for example by means of the 'Fars Kram' (Father's Hug) scheme, which allows all fathers to take up to 13 weeks of paternity leave – an offer that more than 70% of new fathers have happily accepted in recent years. By supporting paternity leave, TDC also wishes to contribute towards greater gender equality in society in general.

In 2012, TDC took special responsibility for helping people who have been without work for a long period of time by collaborating with the Danish Metal Workers' Union on an agreement to advertise up to 100 so-called 'acute jobs' in the first six months of 2013. In a situation of generally increased unemployment, TDC thus wishes to assist people who have experienced long-term unemployed to rejoin the labour market.

TDC has also continued its cooperation with 'The Specialists', an enterprise that employs people with autism spectrum disorders to solve special tasks for TDC with a zero error tolerance level. TDC has cooperated with the Specialists since 2004, when the enterprise was founded by a former TDC employee.

### Employee well-being

As committed, attentive and competent employees are vital to TDC's success, we remain constantly focused on being a good and attractive workplace. Over the past few years, general employee satisfaction has increased considerably, and in 2012, TDC achieved an overall employee satisfaction score of 80 points across the Group. This result represented a slight

increase compared with 2011, meaning that the positive trend is continuing. Compared with other comparable enterprises, TDC is now among the "best in class".

These impressive results are due to many initiatives, including a focused effort to improve employee well-being through quality in management and the Group's clear focus on improving customer experiences. The well-being and commitment of our employees are strengthened through e.g. giving high priority to day-to-day dialogue with managers, and by means of interviews held at least once a year concerning employees' job satisfaction and how they can further develop their competencies. TDC's strong commitment to improving customer satisfaction also contributes to increased day-to-day job satisfaction and encourages higher levels of pride in being part of TDC's achievements.

## 5. Social partnerships

As part of society, we are committed and keen to contribute positively to its development. Consequently, TDC has established partnerships with a number of organisations to activate our core competencies and resources in order to address major social challenges. By investing our personal engagement and competencies in these partnerships, we can contribute with what we do best, while both TDC and the organisations can benefit and learn from the cooperation.

### The Danish Red Cross

In 2012, TDC continued working with the Danish Red Cross. This cooperation began in 2009, and aims to support the organisation's work in disaster areas around the world, as well as with vulnerable population groups in Denmark. In 2012, through the use of 'TidsBanken' (the Time Bank), which gives TDC employees the opportunity to spend working hours on charity projects, TDC employees again helped recruit more than 200 volunteers for the nationwide Red Cross collection. The partnership also includes providing warehouse capacity at TDC for storing and maintaining Red Cross emergency equipment to be sent at short notice to disaster areas around the world. Finally, TDC contributed towards the development of a so-called 'IT trailer', an emergency telecom unit that enables the Red Cross to set up vital internet, radio and telephone connections in disaster areas.

### Denmark's Collection

As in previous years, TDC contributed towards setting up and holding 'Danmarks Indsamling' (Denmark's Collection); a nationwide event that raises funds for specific humanitarian purposes and development projects. TDC employees volunteered and TDC technology was contributed free of charge for the fundraising event, which involves collecting donations made by SMS and phone call. TDC thereby played a significant role in collecting more than DKK 87 million for refugees in a range of African countries.

### The Danish Cancer Society

TDC has collaborated on projects with the Danish Cancer Society for many years, and in 2012 the cooperation involved providing the required telephone solutions, including call centres, to make possible an ambitious collection campaign called 'Knæk Cancer' (Break Cancer), which raised more than DKK 100 million for research, prevention and counselling concerning cancer. TDC also donated DKK 250,000 to the project, and many of our employees chose to volunteer.

## Other partnerships and projects

Being a large company, TDC interacts with many different parts of society. Besides the above, TDC was also involved in the following partnerships and projects in 2012:

- **Børnenes IT-Fond** (The Children's IT Fund): notebook PCs for young people in out-of-home care
- **Maternity Worldwide**: support for the use of mobile technologies to improve pregnant women's health in Ethiopia
- **Danske Døves Landsforbund** (Danish Deaf Association): awareness of deaf people's opportunities in the labour market, including how IT and mobile technology can be used to overcome barriers
- **City of Copenhagen**: mobile telephony for volunteers who help children from ethnic minorities become involved in sports and recreation clubs
- **The Danish Heart Foundation**: support for the 'Charlie's Heart Gala' collection show

## Further information

Results for 2012, future objectives and a more detailed review of TDC's CSR activities are available in our online CSR Report 2012, which is accessible at [tdc.com/csr2012](http://tdc.com/csr2012).