



**MT Højgaard Group
CSR Report 2016**

MTH GROUP

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Responsibility for a sustainable present and future

As we all know: It is getting increasingly important for each of us to take responsibility for our surroundings for a safe and productive society. At the MT Højgaard Group, our CSR work is structured according to a number of rules and guidelines which we observe in our everyday work and which encompass both universal human rights and the everyday working environment of the individual employees.

But rules cannot stand alone. For us, it is first and foremost about maintaining the fundamental approach to good and decent cooperation. Both the cooperation internally in the Group and the cooperation externally with our customers and business partners. For us, it is crucial to work with human beings who represent and live the values and attitudes that make it possible to conduct a decent and professional business.

We are committed to taking our share of the responsibility for a more sustainable present and future. The point of reference for our CSR work is our strategy framework and vision to be the most productivity-enhancing group in the industry. This has resulted, among other things, in a collaboration in 2016 with the Danish Association for Responsible Construction towards actively developing a new set of shared paradigms to prevent underpayment in the industry and at the same time make it more effective for the industry players to take social responsibility.

It must be safe to work for the MT Højgaard Group. In 2016, we increased our focus on improving the safety of our employees and subcontractors at the construction sites. We are pleased to see that this effort has been successful. The Group's total accident frequency rate for 2016 fell to 14.4 accidents per 1 million man-hours, and we have thus achieved our target of 15. In 2017, we will continue our work to improve the accident frequency rate as our vision continues to be no accidents at all.

With our commitment to the UN Global Compact and the 10 principles on human rights, we confirm our commitment to acting ethically in relation to integrity, fairness and social responsibility. With this report, we fulfil our statutory CSR reporting obligation and elaborate on our policies, efforts and targets within specific CSR areas.

In the Group we have decided to focus our effort within five strategic areas, prioritising and concentrating our work where the greatest effect can be had. Those areas are:

- Business behaviour
- Human rights
- The workplace and industrial relations
- Environment
- Guidance and reporting

In the following report, you can read about our efforts and progress and how we integrate the principles of the UN Global Compact.

Torben Biilmann
CEO

Results 2016

- 7.4% in training posts
 - 12.9% women managers
 - 100% of new projects worth more than DKK 50 million screened for risk such as human rights
 - 0 fines for competition law violations
 - Accident frequency rate of 14.4 per 1 million man-hours
-

Policy and efforts

The Group defines corporate social responsibility on the basis of the common understanding of CSR as financial, social and environmental responsibility.

The Group's CSR policies, guidelines and reporting cover MT Højgaard and the 100% owned subsidiaries Ene-mærke & Petersen, Lindpro, Scandi Byg and Ajos.

The Group also holds equity interests in Greenland Contractors (67%) and Seth (60%). The CSR strategy and policies apply to the entire Group. The reporting does not cover partly-owned subsidiaries.

The individual companies of the Group have their own CSR policies which reflect their individual markets, strategies and organisations. They may for instance cover social projects or local donations. As the group companies differ greatly in size and structure, they work independently with the CSR aspects based on what makes sense for the individual companies. However, all CSR activities fall within the framework of the Group's overall CSR policies and related guidelines.

The Group wishes to further develop its CSR efforts as a natural, important and integral element of its operations and activities.

The Group continuously ensures that its business procedures and processes support the CSR policies and that all CSR policies and guidelines are integrated in the internal systems.

All employees and suppliers are informed of the Group's commitment to and guidelines in this area.

Below follows a review of the Group's policies and efforts within the strategic performance indicators. For each of those performance indicators, we will report first on the Group's policy and approach and then on our effort.

The reporting format is based on the Global Reporting Initiative (GRI), which is an internationally recognised reporting system. More specifically, we report in accordance with the G4 Core level.

All indicators contain an assessment of the extent to which the performance indicator is answered relative to the GRI definition. A distinction is made between "in depth", i.e. the level of detail of the data, and "in width", i.e. how much of the Group is covered by the data.

In the Appendix at the end of the report, additional information is available about the different performance indicators, such as background data and other details.

Business behaviour

The Group undertakes to act professionally and with fairness and integrity in all business operations and relations wherever it is active. The Group values the importance of honest and ethical conduct.

Anti-corruption

The Group strongly disapproves of any kind of corruption, including bribery, blackmail and facilitation payments.

The Group's CSR policy integrates the 10 principles of the UN Global Compact, including anti-corruption. The CSR policy also sets out the Group's rules prohibiting facilitation payments and rules on gifts.

The Group contributes to preventing and speaking out against any kind of corruption and actively supports the anti-corruption activities of third parties in relation to public authorities and private stakeholders.

The Group regularly updates procedures which set the framework for its own as well as agent's and supplier's transactions with representatives of public authorities, political parties and related persons and organisations.

Group Management ensures that internal controls and audit procedures and other processes will also capture any indications of corruption. This includes random checking of projects, contracts and systems. The controls include financial, operational and technical matters.

Before the Group enters into business relations, transactions or projects worth more than DKK 50 million, the managers responsible must perform a due diligence review on:

- the country in which the project or activity is to be performed if the Group has had no activities in that country in recent years
- potential business partners in countries where corruption is a presumed risk
- the proposed project or business transaction for the purpose of mapping out and assessing the risk of any corruption

The due diligence review must be renewed in the course of the project period so as to allow changes and new information to be considered.

The Group believes it is important that managers and other employees know the rules and follow the procedures which are designed to curb corruption. Therefore, we prioritise information, dilemma role-plays and management training in this subject on a regular basis, and we also have training programmes for relevant employee groups.

S03

Risk analysis for corruption

Reporting for 2016

In 2016, the Group made a risk analysis of the countries in which the Group is active. The risk analysis was made in order to determine which countries and which situations involve the greatest risk of bribes being demanded or other corruption. The purpose of the risk analysis was to clarify the prioritisation of resources. Based on the risk assessment it was clear that the Group had limited exposure to high risk and effect. No material risks were identified in 2016.

The Group revised its target for 2016 to carry out a due diligence review of all projects worth more than DKK 50 million and random checks of projects worth less than DKK 50 million to ensure correlation to actual risk. Accordingly, random checks were made on 10 new projects worth more than DKK 50 million.

In future, the Group will also carry out random checks where the selection criteria are based on materiality and risk.

Target 2017

- Random checking of 10 new projects worth more than DKK 50 million

Initiatives in 2017

- Model for supplier risk analysis for corruption will be developed

Reporting level

The reporting level for this indicator is 100% in width and in depth.

S04

Training on anti-corruption policies and procedures

Reporting for 2016

The Group did not hold any training courses in anti-corruption policies and procedures. All new salaried employees at MT Højgaard received training, while the employees of the Group will not receive training until in 2017.

Information was provided in MT Højgaard about internal policies and guidelines due to two instances of corruption, see S05.

Target 2017

- 100% of the salaried employees of the Group must receive anti-corruption training

Initiatives in 2017

- Campaign with an anti-corruption focus will be implemented

Reporting level

The reporting level for this indicator is 0% in width and in depth.

S05

Confirmed incidents of corruption and actions taken

Reporting for 2016

The Group had two corruption incidents. Both incidents involved minor financial fraud for own personal gain, and the two persons directly involved are no longer employed with the Group. In one of the incidents, a former employee received a court sentence in early 2017. The Group believes that such incidents may be avoided by raising awareness of internal policies and procedures as the two specific incidents are in conflict with those.

No project contracts were terminated because of breach of anti-corruption rules, and no legal proceedings on corruption against the Group have been completed.

Target 2017

- Zero cases of corruption in the Group

Initiatives in 2017

- Campaign with an anti-corruption focus, see S04

Reporting level

The reporting level for this indicator is 100% in width and in depth.

Anti-competitive behaviour

The Group wishes to compete on fair and equal terms and will not engage in unfair and illegal practices such as price fixing which cause market distortion and impede free competition. Consequently, it is important to the Group to comply with all laws and regulations and to keep any errors, omissions and improper practices which may be contrary to laws and regulations to a minimum.

The objective is to capture and retain market positions and customers by operating the Group in free competition with others, i.e. by offering services on competitive terms and complying with the competition rules in force from time to time. Consequently, all executives receive courses in applicable legislation and the Group's competition rules, and the rules are subsequently reviewed on a regular basis.

S07

Anti-competitive behaviour, anti-trust and monopoly practices

Reporting for 2016

No charges have been brought against the Group for anti-competitive behaviour in 2016.

Target 2017

- Zero charges against the Group for anti-competitive behaviour

Initiatives in 2017

- Preparation of informational material about the Danish Competition Act and the Group's compliance with the Danish Competition Act

Reporting level

The reporting level for this indicator is 100% in width and in depth.

Compliance

It is important for the Group to comply with all laws and regulations in its operations. The Group thus continuously strives to keep any errors, omissions and improper practices which may be contrary to laws and regulations to a minimum.

Consequently, the Group finds it only natural to report on any sanctions and fines received in the course of the year where the authorities have assessed that the Group has not complied with laws and regulations, e.g. in connection with construction site inspections. This applies whether or not non-compliance is due to errors or omissions and regardless of how serious they are.

The sanctions typically relate to unacceptable health and safety conditions at the Group's construction sites (e.g. inadequate fencing) which can, in most cases, be corrected immediately.

S08

Non-compliance with health and safety laws and regulations

Reporting for 2016

In 2016, the Group received three prohibitions, 27 immediate improvement notices and three decisions without a duty to act. Overall, the Group was therefore at the same level as in 2015.

Three of the incidents were serious enough for the Danish Working Environment Authority to issue a prohibition. At the same time, the Group was issued with a fine by the Authority in connection with a work-related accident. Subsequently, measures were implemented in connection with the fine to avoid similar incidents in future.

In 2017, the Group will continue its focused effort to secure against falls that was initiated in 2016, while at the same time directing attention to the layout of construction sites as these are the areas where the Group received 18 out of 27 immediate improvement notices from the Danish Working Environment Authority in 2016.

The Group lodged a complaint against six of the 33 measures imposed by the Authority as the Group did not believe that the necessary statutory basis existed for the

Authority to impose those measures. No response to the complaints had been received at year-end.

Target 2017

- Zero fines
- Reduce the number of prohibitions from three to zero, and then seek to maintain zero prohibitions
- Reduce the number of immediate improvement notices from 27 to 18

Initiatives in 2017

- Group-wide focus on attitude and conduct
- Focus on securing against falls so as to prevent the risk of falls in connection with working at height, including securing railing and fencing
- Training of supervisors/team managers for greater focus on pointing out any health and safety concerns and stopping work until they have been rectified

Reporting level

The reporting level for this indicator is 100% in width and in depth.

Delimitation and method

The target of reducing the number of immediate improvement notices requires the same level of activity as in 2016.

Product and certification schemes

It is important for the Group to have satisfied customers, including clients and users of the buildings and infrastructure projects delivered by the Group. For that reason, the Group conducts annual customer satisfaction surveys. Various significant parameters, including price-quality correlation, are measured, and the outcome of these surveys is used actively to strengthen the Group's business.

The Group is aware that large building and civil engineering projects, which constitute the majority of the project portfolio, may affect local surroundings, including neighbours and passers-by. In addition to general inconvenience, noise from construction work may also have an adverse impact on health, especially in case of long-term exposure.

Certain construction work will inevitably involve noise, vibration, etc. Together with clients, consultants, local authorities, subcontractors and neighbours, the Group strives to organise the construction processes with utmost consideration to the surroundings and on the terms which fall within the Group's control. For example, the Group will involve and inform stakeholders, in particular neighbours, who will be living with the noise and other potential inconvenience during the process.

PR5

Customer satisfaction

Reporting for 2016

Overall customer satisfaction fell by 4 percentage points from 2015 to a score of 70.

Customer loyalty increased overall by 5 percentage points to a score of 75, close to the target score of 76.

Target 2017

- Customer satisfaction score of 76
- Customer loyalty score of 76

Initiatives in 2017

- Start-up workshops for all projects worth more than DKK 100 million and key customer projects
- Mid-term surveys for all projects lasting longer than six months

Reporting level

The reporting level for this indicator is 100% in width and in depth.

Delimitation and method

All construction and infrastructure projects worth more than DKK 2 million were included in the customer satisfaction surveys, and they were conducted in Denmark and on international markets.

However, Scandi Byg, Enemærke & Petersen and Lindpro only started up their surveys in the last six months of 2016, so the data available were still sparse.

The surveys were conducted on-line with 20 questions to be answered on a scale of 10 which were converted to scores of 1 to 100 in the data processing (see Appendix). The surveys were made midway through the project and on project completion.

Human rights

The Group's CSR policy incorporates the 10 principles of the UN Global Compact on human rights in the organisation as well as the activities. It does so, among other things, by requiring the Group as well as suppliers and other business partners to protect human rights.

Investment

The Group will not tolerate violation of international human rights. In order to contribute to the protection of human rights in projects in which the Group is involved, all projects worth more than DKK 50 million are systematically screened using a specific check list which screens primarily for risks but also for human rights.

The purpose is to ensure that the client's CSR requirements are handled and covered in the project organisation and that the requirements can be extended to sub-suppliers. In addition, the purpose is to ensure that the

contracts do not contain clauses which are contrary to human rights and that compliance with human rights and other CSR-related issues is a top-of-mind concern.

When the Group participates in tender processes, all factors potentially relating to human rights are considered, and this work is continuously expanded. The Group demands back-to-back agreements from suppliers in all tender processes.

HR1

Significant investment agreements and contracts with human rights

Reporting for 2016

All contracts worth more than DKK 50 million were screened for human rights. In 2016, a total of 114 tender processes were screened, which was at the same level as in 2015.

No investment agreements were made.

Target 2017

- All contracts worth more than DKK 50 million must be screened for human rights

Initiatives in 2017

- The screening of contracts will be extended concurrently with stricter client requirements and initiatives

Reporting level

The reporting level for this indicator is 100% in width and in depth.

Delimitation and method

All potential projects worth more than DKK 50 million were evaluated by the Group's Tender and Contract Board. In that connection, the projects were screened to determine the client's attitude to CSR-related subjects, including human rights and human rights clauses.

The Group considered the purchase of fixed assets or companies worth more than DKK 25 million as an investment object.

Non-discrimination

The Group will not tolerate discrimination in any form. But the Group is also aware that discrimination may occur covertly and not necessarily be brought to the Group's attention.

HR3

Discrimination and corrective actions taken

Reporting for 2016

No incidents of discrimination were reported. The anti-bullying "Be a Good Colleague" campaign was implemented in parts of the organisation. Material and experience from this campaign was shared in the Group.

Target 2017

- Zero incidents of discrimination

Initiatives in 2017

- Follow-up on the "Be a Good Colleague" campaign
- An employee satisfaction survey and subsequent analysis will be conducted to determine if there is a need for further initiatives at Group or departmental level

Reporting level

The reporting level for this indicator is 50% in width and 100% in depth.

Delimitation and method

The data reported did not include local workers working on foreign projects and employees of the Lindpro subsidiary Arssarnit.

Freedom of association and collective bargaining agreements

The freedom of association and collective bargaining is a quite fundamental principle which is respected and valued by the Group for all of its employees.

The Group is committed to having and has a constructive and efficient collaboration with trade unions and other employee representatives.

The Group complies with all relevant collective bargaining agreements in countries where the Group is active. The Group also requires subcontractors to comply with all relevant collective bargaining agreements and to demonstrate compliance, if necessary.

The Group continuously monitors compliance with collective bargaining agreements at the construction sites and requires subcontractors to rectify any breaches of collective bargaining agreements. Failure to do so will lead to termination of the relationship.

One of the measures that the Group has taken to ensure compliance with collective bargaining agreements is to issue a practical guidance to inform all construction sites of the indicators which the Group should look for as far as subcontractors are concerned. In addition, the Group is currently preparing various informational material for subcontractors and their employees. This is expected to be implemented in the spring of 2017.

When the Group uses foreign subcontractors on a project, the subcontractor agreement must include a special condition that they are to comply with current legislation on registration in the Register of Foreign Service Providers (RUT).

All supervisors in the Group are obliged to complete an in-house supervisor training course. During the training course, our supervisors learn about the terms of the industry's collective bargaining agreements to enable them to ensure compliance at the construction sites – by us as well as by our subcontractors. In cases of doubt,

the supervisor may contact Group HR or the Confederation of Danish Industry (DI), if relevant.

HR4

Collective bargaining agreements and freedom of association

Reporting for 2016

The screening of new suppliers worth more than DKK 1 million outside Europe (see HR10) included the parameter of collective bargaining agreements and freedom of association.

In 2016, local workers working on the Group's foreign projects all had freedom of association and collective bargaining.

Target 2017

- All contracts outside Europe worth more than DKK 1 million must be screened

Initiatives in 2017

- The screening of contracts will be extended concurrently with stricter client requirements and initiatives

Reporting level

The reporting level for this indicator is 100% in depth and in width.

Delimitation and method

In countries such as Denmark, Iceland, Greenland and Norway, where terms and conditions of pay and employment were governed by a general industry-wide collective bargaining agreement, the Group complied with those agreements via its membership of the relevant employer organisation, rather than individually agreed collective bargaining agreements.

Forced and child labour

The Group will not tolerate forced labour or child labour in its own companies or at suppliers.

In Denmark, the risk of forced labour is low. But the risk is greater in other parts of the world where the Group is active and where this may happen, for instance in relation to migrant workers who may be required to hand over their identity papers to their employer and thus are restricted in their freedom of movement. Here, the Group has constant management focus on those concerns.

Risk of forced or mandatory labour

The Group will not tolerate forced or mandatory labour in its own companies or at suppliers.

Forced or mandatory labour is rare in Denmark where the major part of the Group's activities take place. But the risk may be greater in other parts of the world where the Group is active, so in those countries the Group has constant management focus on those concerns.

HR5**HR6****Child, forced, compulsory or mandatory labour****Reporting for 2016**

The Group had no incidents of child, forced, compulsory or mandatory labour.

The screening of new suppliers worth more than DKK 1 million outside Europe (see HR10) included the parameter of child and forced labour.

Target 2017

- All contracts outside Europe worth more than DKK 1 million must be screened

Initiatives in 2017

- The screening of contracts will be extended concurrently with stricter client requirements and initiatives
- Subsidiaries will also be required to report

Reporting level

The reporting level for this indicator is 50% in width and 100% in depth.

Delimitation and method

The reported data only concerned HT Højgaard.

The screening covered all new suppliers with a purchasing volume above DKK 1 million and geographically located outside Europe.

Screening of suppliers for human rights

The Group wants to make sure that the internationally recognised human rights as expressed in the UN Guiding Principles on Business and Human Rights are observed by business partners and suppliers. As a result, the Group focuses on ensuring that new suppliers fulfil this requirement and on avoiding potential as well as actual adverse impact on human rights.

The Group will only contract with direct contractual partners/suppliers who observe the law in countries where they do business and who support and respect the internationally acknowledged human rights principles.

The Group believes that the highest risk of human rights violation exists in countries outside Europe and, as a result, the Group screens all new suppliers outside Europe in connection with contracts worth more than DKK 1 million. The Group acknowledges that all businesses may have an adverse impact on human rights, and the Group will continuously map out business partners and suppliers which are used in connection with the Group's completion of projects in its effort to prevent and remedy any adverse impact on human rights.

HR10**Screening of new suppliers for human rights****Reporting for 2016**

The Group carried out one screening of a non-European supplier in 2016. The screening verified that the supplier complied with human rights.

The low number of screenings was due to the Group's low level of activity outside Denmark and to its repeated use of already screened suppliers.

The Group is currently preparing a new Supplier Code of Conduct which reflects the requirements of the UN Global Compact and the UN Guiding Principles on Business and Human Rights. The Code of Conduct will be implemented into the Group's standard contracts with suppliers. The related supplier assessment documents were also changed as a result of the revised Supplier Code of Conduct.

Target 2017

- 100% of the Group's new suppliers must be screened for human rights

Initiatives in 2017

- Preparation of a risk/mitigation report for all suppliers. This report will form the basis of the final selection of risk suppliers and risk areas in 2017
- Revision and implementation of the Supplier Code of Conduct into the Group's standard contracts

Reporting level

The reporting level for this indicator is 100% in width and in depth.

Delimitation and method

The screening covered all new suppliers outside Europe with a purchasing volume above DKK 1 million.

The workplace and industrial relations

As a leading building and civil engineering company in Denmark, the Group has influence on several affairs which are broadly associated with the labour market. This also applies – but to a lesser degree – in other countries where the Group is active.

The influence and responsibility are more specifically linked to the many different jobs which the Group creates, in particular at construction sites. With thousands of employees in a variety of companies, industrial relations are a key focus area.

Employment

Employees are a vital resource, and it is therefore important to focus on the employees who join and leave the company. At the same time, it is expensive to hire new employees, and the Group is constantly thinking of ways to retain its skilled employees. The Group retains

employees by focusing on job satisfaction and motivation, and this is the reason why the Group has decided to also report on the employee satisfaction survey, which is conducted every other year.

As it is important for the Group to secure qualified labour for future projects, the Group wishes to contribute to securing the labour force of tomorrow. Consequently, the Group offers office apprenticeships and apprenticeships within different trades and engineering and construction traineeships for statutory trainee periods as well as internships.

The Group cooperates actively via the Danish Association for Responsible Construction to ensure that the provisions of the social clauses on work and training are relevant and reasonable.

The Group participates in the works panel of the Confederation of Danish Industry and is active in the work of the apprenticeship unit under the Capital Region of Denmark where the goal is to secure apprenticeships across schools and businesses, e.g. via partial agreements, as well as expands cooperation with educational institutions.

The Group offers apprenticeships to students from the basic vocational education and training programmes known as EGU. These EGU students often struggle with academic studies and therefore find it difficult to complete the basic training course of a vocational training programme without some help. The Group takes them on as apprentices at the construction sites, thereby giving them an opportunity to complete a basic training course later on.

The Group is also active in corporate networks for the purpose of securing vocational training for the older students at elementary school and after-school jobs for young people.

LA1

New hires and employee turnover

Reporting for 2016

Total employee turnover for salaried employees was 20.6%, which was a 6% reduction compared with 2015.

The Group's target for 2017 is only reduced to 19.5% as employee turnover has reached a realistic level, considering the size of the Group.

A few of the companies belonging to the Group experienced an increase in employee turnover, among other things because of a lack of work in parts of the country. However, as a result of vacancies elsewhere in the Group, some of those employees were hired by other Group companies.

Large parts of the Group work in project organisations and thus work under a lot of time pressure and many deadlines. The Group would therefore like to train its

managers in how to handle any of their employees who show signs of work-related stress. This was implemented in parts of the organisation via various workshops.

In 2017, the Group will focus on its onboarding process as well as on the involvement of Group talent by implementing strategic initiatives to ensure a constant focus on reducing employee turnover.

Training posts

In 2016, the Group had 7.4% employed in training posts, thus meeting the target of 7% training posts. This indicates a willingness in the industry to increase and maintain a realistic number of training posts, and this was possible through voluntary arrangements. Among other things, the target was met by sharing apprentices between the companies of the Group. This focus will continue in 2017.

Although the Group expects to see increased activity in 2017, it is regarded as realistic to maintain the target of 7% in training posts. In 2016, the Group had difficulties obtaining the apprentices that were needed as there were not enough vocational students enrolled in the fields that are relevant for us.

The above target therefore requires that the vocational schools have enough relevant students, which proved to be a challenge in some parts of the country in 2016. In addition, the Group experienced in 2016 that certain types of apprentices were finding it difficult to maintain and complete their education.

Target 2017

- Maximum employee turnover of 19.5%
- A score of 74 in the satisfaction survey among salaried employees. The Group's long-term target is still a score of 76
- 7% of the employees must be employed in training posts

Initiatives in 2017

- The onboarding process
- Involvement of Group talent by strategic initiatives
- Initiate implementation of new Group-wide HR system
- Sharing of apprentices internally in the Group, where possible

Reporting level

The reporting level for this indicator is 50% in width and 100% in depth.

Delimitation and method

The data reported on employee turnover for 2016 concerned salaried employees. This group also included employees on fixed-term contracts such as trainees, interns, student assistants, short-term/project workers and consultants, who were all employed for a fixed term of typically six months to a maximum of two years.

The target for 2017 applies exclusively to salaried employees as the number of hourly workers varies across the year, with respect to seasonal work as well as in relation to the number of projects which the Group is working on. In 2017, the Group will begin the implementation of a new HR system which in the long term will remedy the problem of determining the number of hourly workers.

The data reported did not include employees employed abroad on a local contract or with Lindpro's subsidiary Arssarnit.

Training posts were defined as apprentices, interns and trainees at construction sites and in administrative functions.

Health and safety at work

The Group insists that it must be safe to go to work and thus systematically works to improve safety at the construction sites. The vision is zero accidents.

The vision means that everyone from top management to hourly workers is mutually obliged to seek constructively and transparently to prevent every accident in all project phases. The Group makes a targeted effort to create a safety culture where everyone takes responsibility for a safe working environment and takes care of themselves and others.

The Group's top management undertakes through leadership to anchor a strong safety culture throughout the entire Group and to ensure that the Group's general working environment is constantly improved and is a priority regardless of the work carried out by the Group.

The Group is certified under the international occupational health and safety standard DS/OHSAS 18001:2008. This means that the Group focuses its efforts on increasing the employees' working environment awareness every day.

LA6

Health and safety at work

Reporting for 2016

The Group's accident frequency rate fell, compared with 2015. Overall, the Group's accident frequency rate was 14.4, which is an improvement over 2015 and better than the target of maximum 15. The Group had no fatal accidents in 2016. The accident frequency rate was still below industry average.

General figures

	2015	2016
Accident frequency rate (accidents per 1 mio working hours)	17.6	14.4
Occupational accidents resulting in absence from work	110	94
Workdays lost	941	1,217
Absenteeism rate in connection with occupational accidents	1.1	1.4

In 2016, the accident frequency rate for salaried employees was 0.4 in Denmark, whereas the figure abroad was 0 and a total of 0.4. The accident frequency rate for hourly workers in Denmark was 27.6, whereas the figure abroad was 4.1 and a total of 22.1.

The Group experienced a minor increase in the accident frequency rate for hourly workers, but overall the number and frequency of accidents fell. The absenteeism rate increased due to more serious accidents which resulted in long absences.

Almost half of the Group's accidents were owing to lack of attention to the layout of construction sites, e.g. no railing or poor and untidy access roads as well as poor planning of the work. This represented an improvement in this area, compared to 2015, where more than half of the accidents were attributable to those areas. This is because of the constant focus throughout the Group on these areas, and the initiatives in 2017 will continue to concentrate on those areas.

The Group recorded 171 near-miss incidents, compared with 144 in 2015. At MT Højgaard a total of 510 observations were recorded, compared with 547 in 2015.

Target 2017

- Reduce the total accident frequency rate to a maximum of 14

Initiatives in 2017

- Constant management focus at all levels; health and safety at work will be a top priority
- Focus on the layout of the construction sites, including overall planning to allow the work to be carried out in compliance with health and safety requirements, access roads and tidy and orderly conditions
- Training and instruction of our supervisors/team managers and our hourly workers
- Better learning and knowledge sharing across the organisation through networking

Reporting level

The reporting level for this indicator is 100% in width and in depth.

Delimitation and method

As the Group is not responsible for health and safety at subcontractors, the data reported did not include subcontractors.

CRE6

Internationally recognized health and safety management systems

Reporting for 2016

In 2016, the Group was seeking to have E&P Service certified according to the DS/OHSAS 18001:2008 occupational health and safety standard. This is expected to occur in February 2017, at which point the Group will thus have attained its goal of having 100% of the employees working in accordance with the DS/OHSAS 18001:2008 occupational health and safety standard. In 2016, 99% of the salaried employees and 96% of the hourly workers did so.

Target 2017

- 100% of the employees must be working in accordance with the DS/OHSAS 18001:2008 occupational health and safety standard

Reporting level

The reporting level for this indicator is 100% in width and in depth.

Delimitation and method

Independent suppliers did not work under our health and safety certificate and consequently the data reported did not include those suppliers.

Training and education

Training is an investment in the future and therefore the Group constantly allocates resources to skills development.

The Group's need for relevant specialist expertise and competent employees also implies focus on further training at all employee levels.

The Group has its own in-house project management training programme. The purpose of the training programme is to train contract managers, project managers, project directors and production managers in the project management methods and tools used by the Group.

In addition, the Group maintains a strong focus on training of our managers via our internal management training programmes called Your Leadership and Leadership in the MT Højgaard Group.

LA9

Hours of training per employee

Reporting for 2016

The average hours of training per employee in the Group were 11.6.

The focus of the Group was on strengthening leadership capabilities on a Group-wide basis. 42 of the Group's salaried employees completed the Your Leadership programme, intended for employees with no formal personnel responsibility. 63 of the Group's middle managers completed the programme Leadership in the MT Højgaard Group. In addition, the Group introduced a development programme for management of hourly workers, which 13 of the Group's employees completed.

Another focus area was the development of VDC/BIM capabilities. Focus was therefore on the internal BIM coordinator training programme, which is a VDC training programme.

The Group had a constant focus on improving health and safety, and 42 employees thus completed various health and safety training courses.

In 2016, the Group had several extraordinary training course activities which will not be repeated in 2017, e.g. with regard to preventing work-related stress, and the target is therefore reduced.

Target 2017

- 10 hours of training per employee in the Group

Initiatives in 2017

- Based on the MTU, analyses will be prepared in the autumn of 2017 to identify the need for further training initiatives
- Presentation of a common Group-wide training policy
- Focus on training directed at women in the Group (see LA12 for more details)

Reporting level

The reporting level for this indicator is 50% in width and 100% in depth.

Delimitation and method

The data reported for hours of training are reported separately for salaried and hourly employees. The data were not complete as it is currently not possible to distinguish between employee categories in the internal training course system of the companies. The number of hours reported therefore represents a manual estimate.

The internal training courses are typically registered on a per day basis. These figures have then been translated into hours of training based on an average of 7.5 hours per course day.

The calculation of the external courses is based on a manual addition of known external courses.

The data reported did not include employees employed abroad under a local contract and employees employed with Lindpro's subsidiary Arssarnit.

Diversity and equal opportunity

The Group will not tolerate discrimination. This also applies to working conditions and employment terms and women in management.

Gender, race, religion, etc. are therefore not a factor in the Group's recruitment, employment, training or promotion practices.

The Group actively works for equal opportunity, respect for diversity and a better gender balance at all levels.

The Group is convinced that diversity contributes to a greater understanding of customers' needs – and thus better solutions – as well as a better working environment.

One of the focus areas is that women must be placed on an equal footing with men in the recruitment for executive positions and in their career opportunities after maternity leave.

LA12

Composition of boards of directions broken down by gender and managerial responsibility

Reporting for 2016

In 2016, the share of women managers in the Group was 12.9% and at the same level as in 2015. This was a management focus area, and in the recruitment of new managers it was ensured that there were always women candidates in the recruitment process if any qualified candidates were available.

An equal opportunity policy was issued for the Group with a focus on respecting differences and promoting a better gender balance at all levels. Moreover, the Group ensured that absence due to child-bearing, maternity, paternity and adoption leave and similar absence did not prevent the employee from pursuing job and career opportunities.

In 2017, a programme will be initiated for women senior managers for the purpose of supporting and developing them and increasing their capacity for managing their organisations and enhancing their leadership skills. The programme will also give them an opportunity to even better utilise their talent and capabilities in a male-dominated industry as well as strengthen their common understanding of leadership. The programme will be held at IMD, the internationally recognised business school in Switzerland.

In 2016, the Group participated in dialogue meetings with other major companies and organisations together with the Danish Minister for Children, Education and

Equal Opportunity for the purpose of providing input to a campaign to increase the number of men taking paternity leave. This work will continue into 2017.

Women managers

%	WOMEN MANAGERS 2015	WOMEN BOARD MEMBERS 2015	WOMEN MANAGERS 2016	WOMEN BOARD MEMBERS 2016
Ajos	0	0	7	0
Enemærke & Petersen	13	33	15	33
Lindpro	6	0	6	33
MT Højgaard	20	17	17	33
Scandi Byg	27	33	19	0
Group	13	-	13	-

Target 2017

Women managers

%	WOMEN MANAGERS	WOMEN BOARD MEMBERS
Ajos	8	33*
Enemærke & Petersen	15	33
Lindpro	7	33**
MT Højgaard	20	33
Scandi Byg	19	33***
Group	15****	-

*The target for Ajos must be attained by the end of 2020.

**The target for the next general meeting in 2020 is that 33% of the members elected at the general meeting of Lindpro are women.

***The target for Scandi Byg must be attained by the end of 2020.

****The long-term target is to have the same gender balance among managers as among the total employee population.

Initiatives in 2017

- Equal opportunity policy will be implemented in the rest of the organisation, where it has not yet been implemented
- Training initiatives directed at women will be implemented

Reporting level

The reporting level for this indicator is 50% in width and 100% in depth.

Delimitation and method

A manager is defined as a manager with personnel responsibility.

The data reported did not include employees employed abroad under a local contract and employees employed with Lindpro's subsidiary Arssarnit.

Environment

The Group works on reducing its impact on the environment and climate in the building processes at the construction sites and its day-to-day operations in general, e.g. in connection with the workers' transport and at offices and other localities.

A construction project has an environmental impact throughout the phases of its life - right from the production of materials over operation of the building to disposal and perhaps recycling of materials.

Both renovation and construction projects result in waste which risks affecting the environment if not handled properly.

The Group is therefore working actively to incorporate environmental and climate concerns in the VDC design phase with a focus on reducing waste of material, improving the energy and indoor climate framework as well as optimising construction site management.

The Group scrutinises work methods at all levels to see if there are any of them that may be optimised in order to reduce the environmental impact.

Energy

The Group aims to use renewable energy in project designs for both renovation and construction projects, if financially possible. This means that the Group has a focus on sustainability and on minimising energy consumption in the project.

As a direct consequence of more energy efficient projects, the Group contributes to reducing global warming by reducing emission of greenhouse gases.

The energy used is energy to heat up buildings, energy at construction sites and for transport.

As a minimum, the Group complies with Danish law in this area.

EN3

Energy consumption

Reporting for 2016

Direct energy consumption

The Group's direct energy consumption included fuels such as petrol, diesel, heating oil and natural gas and solar cells. Around 95% of the heating oil was environmentally friendly, while the corresponding percentage for diesel was 35%.

Statement of direct energy consumption

GJ		2015	2016
Fuel purchased			
	Petrol	566	374
	Diesel	104,185	105,678
	Heating oil (delivered to sites)	3,756	11,707
Mileage in the service of the company using private cars		16,787	17,603
Heating			
	Oil	470	663
	Natural gas	7,892	6,870
Total direct energy consumption		133,656	142,895
Tons of CO ₂ equivalent		9,718	10,930

Indirect energy consumption

Total indirect energy consumption from offices (GJ)

	2015	2016
Electricity	15,265	15,594
District heating*	9,202	11,246
Total	24,467	26,840

*Two offices switched from gas to district heating and the relevant consumption has shifted from direct to indirect energy.

Relative consumption

	2015	2016
Total energy consumption relative to revenue (GJ/DKK million)	26.2	23.6
Total direct energy consumption relative to man-power hours in total (GJ/1,000 hrs)	26	22.6

Average kilometres per litre, leased vehicles

2014	14.5
2015	15.8
2016	17.2

The total energy consumption relative to revenue was 23.6 GJ per DKK million.

In 2016, the total direct energy consumption relative to manpower hours was 22.6 GJ/1,000 hrs. The target will not be increased for 2017 as the Group expects to invest in additional VDC labs and energy-intensive digital tools.

The average kilometre per litre for leased passenger cars was 17.2 kilometre per litre.

On request to external suppliers of leased machinery and equipment, it was established that the Group only leased machinery and equipment which complied with the EU emissions requirements for class III and higher. As a group company, Ajos may own class II machinery and equipment which still comply with the requirements. As the Group is leasing the machinery and equipment on very long contracts - often 10 years plus an optional extension period - there may be leased machinery and equipment which is older than from 2005.

In the spring, two pilot courses were held for a total of 40 employees with a focus on driving skills and energy-efficient driving. The Group will follow up on those courses with a list of good advice on energy efficient driving.

Target 2017

- Total energy consumption for the Group relative to revenue: 24 GJ/DKK million
- Total direct energy consumption relative to manpower hours in total: 25 GJ/1,000 hours

Initiatives

- Preparation of a list of good advice on energy efficient driving

Reporting level

The reporting level for this indicator is 50% in width and 100% in depth.

Delimitation and method

The data reported for direct and indirect energy consumption for 2016 concerned the Danish activities.

The data reported did not follow the calendar year. For instance, the data reported for energy consumption at office premises covered Q4 2015 and Q1-3 2016 on several locations.

See the Appendix for more details on the method applied.

CRE1**Building energy intensity****Reporting for 2016**

At 10 offices the Group had a higher energy consumption due to the Group's 10 new VDC labs. As a result, the target of a 5% improvement in building energy intensity was not attained.

The employees at the Group's headquarters in Søborg moved to new premises in August 2016. Consequently, no effort was made to improve the energy efficiency of the former premises. Mandatory energy audits were carried out and the respective locations received the results, which included a list of energy saving proposals.

During the period, two of the Group's locations switched from natural gas to district heating, which is a more sustainable source of energy.

The share of energy consumption represented by buildings and offices amounted to nearly a quarter of the Group's calculated energy consumption.

Building energy intensity

	2015	2016
Energy consumption (electricity and heating) (GJ)	32,830	34,373
Total heated area (m ²)	62,462	59,915
Number of salaried employees at the offices (heated areas)	1,469	1,668
Building energy intensity (GJ/m ²) (2016 calculated as double six-month consumption)	0.53	0.57
Building energy intensity (GJ/office workers) (2016 calculated as double six-month consumption)	22.3	22.6

Target 2017

- Building energy intensity must be improved by 5% compared to 2016

Initiatives in 2017

- The results of the mandatory energy audit of the Group's buildings will be scrutinised and relevant initiatives implemented

Reporting level

The reporting level for this indicator is 50% in width and 100% in depth.

Delimitation and method

The data reported for 2016 concerned the energy intensity of the Group's offices in Denmark.

The data reported for heated areas were corrected by an unheated area of 1,004 m², as that area had mistakenly been included as a heated area.

See the Appendix for more details on the method applied.

Waste by type and disposal method

When the Group sorts its construction waste, it creates value. The Group saves raw materials, energy and money and reduces CO₂ emissions.

Properly sorted waste is of great value in relation to new products. Many of the products used by the Group in the construction industry are manufactured from raw materials sourced outside Europe. There is a large resource bank for new products if waste is separated and sorted. The Group is working to improve source sorting in order to support recycling via the manufacturers.

In addition to direct source sorting at the construction sites, the Group has taken the initiative to form a close collaboration with the receivers of waste from offices and material sites. The Group has a limited number of waste receivers and has examined individual sites with a view to improving source sorting.

The Group also contributes to the industry initiative to develop a model for circular construction to make demolition not an expense in future, but a source of revenue due to materials recycling.

The past decade has seen major developments in the construction product industry as far as materials are concerned, both driven by legislation and consumer demand, which is a positive trend in terms of recycling of construction product waste.

In concrete structures, concrete is used where parts of the cement have been replaced by recycled materials. Similarly, insulation materials also contain large amounts of recycled materials. According to the manufacturers' calculations, two-thirds of the rockwool materials are recycled, while up to 80% of glass wool insulation consists of recycled glass.

Wooden products often come with a certification of sustainable production.

And when the recycled materials add value to a construction material, this is where things start to get really interesting. It is important that recycling is not the same as depositing waste in construction materials, but that the recycled materials ultimately make the construction materials better and more sustainable.

EN23

Reporting 2016

Waste by type and disposal method

Percentage waste

WASTE/KG	% OF TOTAL 2015	% OF TOTAL 2016
Recycling (incl. re-use)	48	50
Incineration (or use as fuel)	26	24
Landfill (incl. deep wells)	14	13
Mixed waste	11	13
Other (non-categorised)	2	0.02
Hazardous waste as a percentage of total, excl. soil	19.1	11

Key figures

	2015	2016
Mixed waste as a percentage of total (excl. soil)	11	13
Percentage of mineral wool waste for recycling	20	10
Recycling as a percentage of total (excl. soil)	48	50

Overall, the percentage of mixed waste increased, compared with 2015. Conversely, the category "other" decreased by the same amount as mixed waste increased.

In 2016, a tour of visits was made to selected construction sites. The purpose of the visits was to gain an impression of how to optimise waste sorting. The results are used in connection with the choice of approach and initiatives on the sites in future.

In 2016, the Group joined forces with the Danish Building Research Institute and the Confederation of Danish Industry concerning overall economy and circular economy with a view to recirculating materials in construction.

At one company, they sorted biological waste from the staff canteen for recycling as foodstuffs, biogas and fertiliser. The experience gained will be included in the implementation of initiatives in other staff canteens.

Target 2017

- The submitted volume of unsorted waste must be less than 10%
- Increase the share of recycling to at least 60%

Initiatives in 2017

- Launch of waste sorting campaign at construction sites
- Ensuring use of the waste disposal companies with which the Group has entered into cooperation agreements
- Initiating the development of LCA tools (lifecycle analysis) in MT Højgaard
- Preparing a 5-year plan with sorting instructions for the Group's projects outside Denmark

Reporting level

The reporting level for this indicator is 50% in width and 100% in depth.

Delimitation and method

The data reported for 2016 concerned all of the Group's activities in Denmark, but not the foreign activities.

See the Appendix for more details on the method applied.

Compliance

It is important for the Group to comply with all laws and regulations. The Group continuously strives to keep any errors, omissions and improper practices which may be contrary to laws and regulations to a minimum.

Consequently, the Group finds it only natural to report on any sanctions and fines received in the course of the year. This applies whether or not non-compliance is due to errors or omissions and regardless of how serious they are.

EN29

Fines and sanctions for non-compliance with environmental laws and regulations

Reporting for 2016

In 2016, the Group received no fines or sanctions for non-compliance with environmental laws and regulations and was not involved in any cases referred for dispute resolution.

Target 2017

- Zero fines and sanctions

Reporting level

The reporting level for this indicator is 50% in width and 100% in depth.

Delimitation and method

The data reported concerned the Danish activities.

Product and certification schemes

Certification, rating and labelling schemes may be voluntary or compulsory. As a minimum, all of the Group's projects comply with regulatory requirements.

Voluntary certification, rating and labelling schemes are increasingly being used to verify processes and products. In the construction industry, they provide clients, lessors and owners with assurance that the buildings comply with measurable requirements with regard to environmental, economic and social aspects.

The Group has chosen to report on the number of voluntary schemes in the construction industry in which the Group's projects participate.

CRE8

Sustainability certification, rating and labelling schemes for buildings

Reporting for 2016

In 2016, the Group had six sustainability certification projects:

- Nordea Domicile East (LEED)
- Holmenveien Barnehage (BREEAM NOR)
- Valby Maskinfabrik (BREEAM International)
- Orbicon Domicile (DGNB)
- Slagelse Hospital (DGNB)
- The Group's new domicile (DGNB).

Scandi Byg also initiated a process to enable swan-labelling (eco-labelling) of their prefabricated elements.

In the course of 2016, one DGNB consultant and four DGNB auditors completed their training. In addition, the Group initiated targeted DGNB initiatives involving screening of five new projects, three of which were internal project development tasks where the effort to obtain DGNB certification will continue. To raise sustainability awareness internally, the Group also developed a DGNB dialogue tool to facilitate workshops in all stages of the certification process.

In 2016, the Group relocated to a new sustainable domicile. The domicile was both designed and constructed by the Group itself. The building achieved a DGNB gold certification, which among other things means energy optimisation with a lot of intelligent green solutions. As a result, the energy consumption for the domicile was significantly reduced, compared to the former domicile.

Target 2017

- The Group must maintain its capabilities to deliver buildings which can be certified according to one of the three leading certification schemes DGNB, BREEAM and LEED

Initiatives in 2017

- Development of sustainability consultancy tools in relation to customers and business partners
- Becoming a part of individual disciplinary networks

Reporting level

The reporting level for this indicator is 100% in width and in depth.

Delimitation and method

The data reported concern the number of projects which achieve sustainability certification by the Group as well as those of the Group's construction projects which achieved sustainability certification by a third party.

GRI Index

GENERAL STANDARD DISCLOSURES		PAGE	UNGC	REPORTING	
				WIDTH	DEPTH
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G4-3	Name of Group	21		■	■
G4-4	Primary brands	21		■	■
G4-5	Location of the organisation's headquarters	21		■	■
G4-6	Countries where the organisation operates	21		■	■
G4-7	Ownership	21		■	■
G4-8	Markets served	21		■	■
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G4-11	Collective bargaining agreements	22	3	■	■
G4-12	The organisation's supply chain	22		■	■
G4-13	Changes during the reporting period	22		■	■
G4-14	Risk management	22		■	■
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G4-19	Aspects identified	23		■	■
G4-20	Aspect Boundary within the organisation	23		■	■
G4-21	Aspect Boundary outside the organisation	23		■	■
G4-22	Restatements of information provided in previous GRI reports	23		■	■
G4-23	Significant changes from previous reporting periods	23		■	■
G4-24	Stakeholder groups	23		■	■
G4-25	Basis for identification and selection of stakeholders	23		■	■
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G4-27	Key topics and concerns that have been raised through stakeholder engagement	24		■	■
G4-28	Reporting period	24		■	■
G4-29	Date of most recent previous report	24		■	■
G4-30	Reporting cycle	24		■	■
G4-31	Contact point	24		■	■
G4-32	GRI Content Index	24		■	■
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SPECIFIC STANDARD DISCLOSURES		PAGE	UNGC	REPORTING	
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SO3	Risk analysis for corruption	5	10		
SO4	Training on anti-corruption policies and procedures	5	10		
SO5	Confirmed incidents of corruption and actions taken	5	10		
SO7	Anti-competitive behaviour, anti-trust and monopoly practices	5			
SO8	Non-compliance with laws and regulations	6			
PR5	Customer satisfaction	7			
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LA1	New hires and employee turnover	10			
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Complete

Partially complete

Inadequate

MT Højgaard Group

G4-17

The responses cover the MT Højgaard company and the four wholly-owned companies Ajos, Enemærke & Petersen, Lindpro and Scandi Byg. The partly-owned subsidiaries Greenland Contractors and Seth are not included unless otherwise stated.

G4-3

G4-4

G4-7

The MT Højgaard Group is owned by the two listed companies Højgaard Holding A/S (54%) and Monberg & Thorsen A/S (46%). The MT Højgaard Group consists of:

- MT Højgaard, which delivers infrastructure, building and renovation projects and which is also the Group's parent company
- Ajos, which hires out machinery and equipment and advises on site layout
- Enemærke & Petersen, which delivers renovation and new building projects
- Lindpro, which delivers electrical installations and service
- Scandi Byg, which manufactures and erects pre-fabricated modular buildings

The Group also includes two partly-owned companies which are not covered by this report for 2016:

- Greenland Contractors (67%), which is in charge of operating the Thule Air Base via a fixed-term contract which runs until the end of Q3 2017
- Seth (60%), which delivers hydraulic engineering projects in Portugal and Africa

G4-5

G4-6

The Group's headquarters are located at:

Knud Højgaards Vej 7, 2860 Søborg, Denmark.

As at 31 December 2016, the Group had employees at permanent offices in:

- Denmark
- The Faroe Islands
- Greenland
- Iceland
- The Maldives
- Norway
- Qatar (scaled down in Q3 2016)
- Vietnam

G4-8

The Group is active on selected markets - geographically and in terms of skills. The Group serves both public and private customers.

Denmark

- Construction
- Civil works
- Hiring out of machinery and equipment and advising on site layout
- Electrical installations
- Pre-fabricated modular buildings

The Faroe Islands

- Construction
- Civil works

Greenland

- Construction
- Civil works
- Electrical installations

The Maldives

- Civil works og construction

Sweden

- Steel bridges

The Group's Vietnam office provides assistance with design projects to Design & Engineering in Denmark.

G4-9

- The Group is organised into MT Højgaard having seven business areas, four wholly-owned subsidiaries and two partly-owned subsidiaries
- The Group is primarily a project organisation

Key figures

DKK MILLION	2014	2015	2016
Revenue	6,979	6,531	6,797
EBIT	207	352	73
Equity	822	999	964

G4-10 **G4-11****Employees**

	2015	2016
No. of employees	4,125	4,211
Percentage of salaried/hourly employees	41/59%	42/58%
Percentage of employees in Denmark/outside Denmark	99/1%	98/2%
Percentage men/women	88/12%	87/13%
Percentage covered by collective bargaining agreements	62%	60%

G4-12

See table at the bottom.

G4-13

During the reporting period, there have been no significant changes in the organisation's size, structure, ownership or supply chain.

G4-14

Read about the Group's risk management in the 2016 Annual Report, page 18.

G4-15

Economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses:

- UN Global Compact, 2015
- Signed a charter for corporate social responsibility in the property, building and civil engineering industry in Denmark, 2014

G4-16

In 2016, the Group held memberships of associations and supports regional, national and international organisations such as:

- Aros Art Club
- Business Faxe
- Copenhagen Urban Network
- The Danish Building Society
- The Dialogue Forum of the Danish Building and Property Agency
- Copenhagen Capacity
- DAC& Build
- DBU Club 100
- DI - the Confederation of Danish Industry
- Erhverv Aarhus
- The Danish Association of Sustainable Cities and Buildings (FBBB)
- The Danish Forum for Hospital Technology and Architecture (FSTA)
- Gate 21
- Green Building Council Denmark
- The Danish Society of Engineers (IDA)
- JUC - Social Housing
- Lyngbygaard Golf
- Moesgaard Museum
- Network Denmark
- Nordic Road Forum (NVF)
- Norwegian-Danish Chamber of Commerce
- Norwegian Green Building Council
- Team Rynkeby
- Tivoli Business Club
- Water in Urban Areas innovation network

Supply chain

COUNTRY	2015 DKK MILLION	2016 DKK MILLION	2015 %	2016 %	2015 NO.	2016 NO.	2015 %	2016 %
Denmark	3,894	4,341	91	93	6,152	6,289	92	94
Other Nordics	73	67	2	1	179	123	3	2
Other EU	126	109	3	2	150	117	2	2
Other world	202	142	5	3	205	187	3	3
Total	4,295	4,659	100	100	6,686	6,716	100	100

G4-18 **G4-19** **G4-22** **G4-23**

Based on the Group's strategic framework, a CSR task group composed of stakeholders from the organisation began in 2013 the work involved in ranking CSR subjects affecting the Group's internal and external stakeholders in order of priority. The management then arranged the GRI subjects and indicators according to priority – separately and subsequently collectively. At the same time, a stakeholder analysis was conducted to help identify the subjects which the Group's stakeholders considered relevant.

The Group has identified the following subjects during its work on the report:

- Anti-corruption
- Health and safety at work
- Employment
- Forced and child labour
- Compliance
- Energy
- Freedom of association and collective bargaining agreements
- Non-discrimination
- Investment
- Anti-competitive behaviour
- Supply chain and human rights
- Diversity and equal opportunity
- Product and certification schemes
- Risk of forced or mandatory labour
- Waste water and waste
- Training and education

The Group has not changed its previous reporting.

However, the Group has supplemented its reporting with HR4 "Freedom of association and collective bargaining agreements", HR5 "Child and forced labour" and HR6 "Risk of forced or mandatory labour", all of which are indicators within the area of human rights and are particularly relevant with regard to the Group's agreements with suppliers which are screened before the contract is signed.

G4-20 **G4-21** **G4-24** **G4-25** **G4-26** **PR5**

The Group's stakeholder groups consist of organisations, groups of persons or persons who may reasonably be expected to be substantially affected by the Group's activities and whose activities may conversely reasonably

be expected to affect the Group's ability to carry on business.

Below follows a list of the most important stakeholders identified by the Group:

- The owners are interested in the Group delivering good results and being operated sensibly. Dialogue with the owners goes through the board of directors
- The employees want an attractive workplace with a good working environment, exciting challenges and adequate earnings. The Group has a strategy providing the overall framework. Together with his or her superior, the individual employee decides how to carry out his or her duties within the strategic framework, and the superior and the employee jointly set annual performance targets for the employee
- The customers are interested in having their project completed at a reasonable price, time and quality. The Group conducts customer satisfaction surveys, the outcome of which the Group uses actively to strengthen its business

If the Group's work has consequences for e.g. neighbours or residents, the Group will also hold dialogue meetings where the stakeholders can obtain information on the project, ask questions and make suggestions

The Group's strategy to achieve increased productivity through the use of digital tools focuses on the customer, who among other things is invited to visit our VDC labs to ensure increased buildability, healthier projects and more options for the customer to choose between

- The investors are interested in the Group being operated sensibly and delivering good results. Dialogue with investors takes place at investor meetings
- The subcontractors are interested in the projects running to plan as regards time and economy. Communication with the subcontractors takes place e.g. through contracts and at meetings, but also informally at the sites in connection with the daily work
- The business partners may e.g. be consulting engineers, architects and suppliers. Dialogue with business partners primarily takes place at meetings. The Group is currently working on changing the existing co-operation model to allow the Group to enter the co-operation about the projects at an earlier stage and to increasingly share information about the project with the business partners. This happens more and more often, among other things in the VDC labs where the projects are developed in cooperation
- The authorities regulate the markets in which the Group operates, make demands on the Group and follow up on the Group's compliance with legislation. For example, legislation on health and safety at work, noise, the environment and the use of foreign labour

- Society in general is interested in the Group delivering good results, contributing to training of potential and existing employees, complying with legislation, maintaining jobs and paying taxes
 - The local community is interested in the work being conducted in compliance with environmental laws and regulations, in a way that does not cause noise or inconvenience and that the Group employs local staff or uses local subcontractors. Dialogue with the local community takes place at dialogue meetings, through information to neighbours and consultation processes
- Via the Group's use of Urban VDC, it is possible already before a project becomes a reality to ensure the best solutions possible for the community during the course of the project as well as on completion of a project, e.g. in relation to traffic redirection, nature and gangways
- The media's interest in the Group includes the individual projects, e.g. in the local community and as an icon, and the overall performance of the Group. The Group meets the media with openness and proactively, based on a wish to create a trustworthy and transparent image

In connection with the CSR work, the Group conducted a stakeholder analysis in 2014. The analysis was based on 21 semi-structured qualitative in-depth interviews with representatives of the selected stakeholders. The interviews consisted of various general questions answered by all stakeholders and various questions targeted to the interests of the individual stakeholders such as the environment or human rights. The interviews were anonymous and conducted by an external consultant.

G4-27

The stakeholder survey showed a number of tendencies:

Apprentices

Due to the Group's size, the Group is to take on more responsibility, e.g. in relation to offering apprenticeships and internships. The opinions on whether this responsibility should be taken on through social clauses, compliance with collective bargaining agreements or voluntary agreements where the Group shows its interest and commitment to taking on social responsibility are divided.

Training posts are a key focus area of the Group. In 2016, the Group had 7.4% apprentices and interns.

Foreign labour

The Group is to observe Danish rules and make sure that its subcontractors do the same. This subject receives attention because of the risk of unfair competition and social dumping when using cheap and, by Danish standards, underpaid foreign labour.

More sustainability and CSR – not less

In future it becomes increasingly important to behave in a responsible way as regards sustainability. Corporate social responsibility is expected to become an integral part of the activities of construction companies.

This is in line with the Group's wishes, which has resulted in an actual CSR organisation, increased focus and surveys.

More documentation and reporting

Several stakeholders expect an increase in the expectations to the Group being able to substantiate its CSR behaviour. The surrounding world will look at the Group's ability to meet expectations.

G4-28 G4-32

G4-29

G4-30

G4-31

The Group is reporting annually in connection with the presentation of its financial statements.

The CSR reporting period runs from 1 January to 31 December 2016 unless otherwise stated. The last report was published on 25 February 2016.

In 2016, the Group reports on GRI "In accordance" Core.

The GRI Index is available on page 18.

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G4-33

The CSR report has not been externally assured. Information for compliance with the requirements set out in section 99a of the Danish Financial Statements Act has been externally assured.

G4-34

The Group's highest governance body is the board of directors – also when it comes to decision-making on economic, environmental and social impacts.

The board of directors and the audit committee appointed by the board of directors are responsible specifically for the Group's economic reporting, risk management, etc.

Group Management is responsible for the operational management of the Group. Under Group Management, a number of employees have been employed and committees appointed to be responsible for the relevant areas.

The Group has a Tender and Contract Board which reviews all projects worth more than DKK 50 million before they are taken on by the Group. The purpose is to ensure project profitability.

The Group's CSR activities are managed by a CSR Board composed of a number of relevant Group executives. The Director of Corporate Communication has overall responsibility for CSR, whereas the responsibility for the different subareas lies locally with the employees and divisions responsible for the relevant areas.

Read more about Corporate Governance at mth.dk/selskabsledelse2016.

G4-56

With a vision to be the most productivity enhancing group in the construction and infrastructure industry, the Group has been a key player for a number of years in the drive to increase industry productivity.

The Group is working actively to increase realisability and freedom of choice in construction and infrastructure projects and more value for money. This requires a departure from tradition and a focused effort where processes are managed tightly and momentum is obtained.

This is based on the Group's strategy framework, which is used as a point of reference in the internal management and development processes.

These years, the Group's management maintains focus on three areas:

- Projects from society to operation,
- Best-in-class VDC
- Achievement of synergies

The three areas are interdependent, having VDC (virtual design & construction) as their centre. The focus areas are supported by a number of specific campaigns relating to the Group's operation, management, market and customers.

For more information about the strategy, please see the consolidated annual report for 2016 page 6.

Appendix

This Appendix contains the background data to the report.

S08

An immediate improvement notice concerns serious occupational health and safety conditions at the workplace which must be rectified immediately. The condition can be rectified using temporary measures until a permanent solution can be implemented.

Prohibition against continuing work is given if there is imminent and significant danger to the health and safety of employees or others. A prohibition entails that the work is to stop immediately and that it may not be resumed until it can be carried out safely.

A decision with no duty to act means that the company has violated health and safety legislation, but it does not impose any duty to act on the company.

In 2016, the Group received the following immediate improvement notices and prohibitions:

- Nine immediate improvement notices and three prohibitions requiring the Group to secure against the risk of falls
- Six immediate improvement notices requiring the Group to secure the work space layout
- Four immediate improvement notices requiring the Group to ensure the planning of the work
- Three immediate improvement notices requiring the Group to provide instruction and training
- Five immediate improvement notices requiring the Group to ensure the use of technical aids

Immediate improvement notices broken down by company

COMPANY	PROHIBITIONS	IMMEDIATE IMPROVEMENT NOTICES
Ajos	0	0
Enemærke & Petersen	2	14
Lindpro	1	1
Scandi Byg	0	1
MT Højgaard	0	11
The Group	3	27

PR5

Interpretation of satisfaction scores

80-100	▶	Very high satisfaction
70-79	▶	High satisfaction

60-69	▶	Medium satisfaction
50-59	▶	Low satisfaction
Under 50	▶	Very low satisfaction

LA1

New employee hires and employees leaving employment

	HOURLY WORKERS	SALARIED EMPLOYEES	TOTAL
New hires	567	207	774
New hires leaving employment again the same year	189	26	215
Total number of employees leaving employment	378	136	514

New employee hires and employees leaving employment - broken down by age (hourly workers)

	AGE <30	AGE 30-50	AGE 50+
New hires	192	247	128
New hires leaving employment again the same year	67	80	42
Total number of employees leaving employment	146	163	69

New employee hires and employees leaving employment - broken down by age (salaried employees)

	AGE <30	AGE 30-50	AGE 50+
New hires	70	109	28
New hires leaving employment again the same year	19	4	3
Total number of employees leaving employment	39	68	29

New employee hires and employees leaving employment - broken down by gender (hourly workers)

	WOMEN	MEN
New hires	7	560
New hires leaving employment again the same year	6	130
Total number of employees leaving employment	8	370

New employee hires and employees leaving employment - broken down by gender (salaried employees)

	WOMEN	MEN
New hires	47	160
New hires leaving employment again the same year	11	15
Total number of employees leaving employment	31	105

New employee hires and employees leaving employment - broken down by geography (hourly workers)

	DENMARK	OTHER COUNTRIES
New hires	550	17
New hires leaving employment again the same year	135	1
Total number of employees leaving employment	363	15

New employee hires and employees leaving employment - broken down by geography (salaried employees)

	DENMARK	OTHER COUNTRIES
New hires	195	12
New hires leaving employment again the same year	26	0
Total number of employees leaving employment	126	10

Accidents and absence broken down by staff category and region

HOURLY WORKERS	DENMARK 2015	OTHER COUNTRIES 2015	TOTAL	DENMARK 2016	OTHER COUNTRIES 2016	TOTAL
Accident frequency rate	35.2	0.9	25.6	27.7	4.1	22.1
Occupational accidents resulting in absence from work	104	1	105	89	4	93
Workdays lost	919	4	923	1,006	211	1,217
Absenteeism rate in connection with occupational accidents	2.3	0.03	1.7	2.3	1.6	2.1
Hazardous (near-miss) incidents	144	0	144	170	1	171
Occupational accidents involving no absence from work	167	1	168	234	4	238

LA6**Accidents and accident frequency broken down by company**

COMPANY	NUMBER 2015	NUMBER 2016	ACCIDENT FREQUENCY RATE 2015	ACCIDENT FREQUENCY RATE 2016
Ajos	4	4	30.6	26.2
Enemærke & Petersen	43	14	37	13.2
Lindpro	30	17	22.7	12.3
Scandi Byg	18	21	41.9	37.1
MT Højgaard	15	38	4.7	11.2
The Group	110	94	17.6	14.4

Accidents and absence broken down by region - hourly workers and salaried employees

	DENMARK 2015	DENMARK 2016	OTHER COUNTRIES 2015	OTHER COUNTRIES 2016
**Accident frequency rate per 1 million working hours (salaried employees + hourly workers)	21.1	16.3	1.7*	4*
**Absenteeism rate, including salaried employees in connection with occupational accidents	1.4	1.3	0.05*	1.5*

*Incl. local hourly workers who are included in the accident frequency rate
 ** Accident frequency rate and absenteeism rate cannot be broken down on women and men

Type and circumstance for the 94 accidents

TYPE OF INJURY	CIRCUMSTANCE	
Injury to soft tissue (blow and bruise marks)	Fall from same/or low level/bumped into/hit by	9
Wound	Stepped on or other contact with sharp objects	17
Limb lost	Squeezed or hit by	2
Displacement of joints	Excess strain on body	1
Sprain/dislocation/strain	Fall from same/or low level or excess strain on body	39
Closed fracture	Bumped into/hit by or fall from same/or low level	9
Open fracture	Bumped into/hit by	1
Cerebral concussion and internal injuries	Driving etc. in company time/bumped into/hit by	3
Thermal damage and frostbite	Bumped into or hit	1
Electric shock	Contact with electric voltage	3
Other	Hit by or fall from same/or low level	9

LA12**Managers broken down by gender**

	WOMEN 2015	MEN 2015	WOMEN 2016	MEN 2016
Manager, salaried employee	42	269	40	269
Non-manager, salaried employee	314	699	370	808
Manager, hourly worker	0	3	0	0
Non-manager, hourly worker	33	1,753	29	1,814

EN3

The statement of direct energy consumption covers fuel, oil and natural gas, whereas indirect energy consumption covers district heating and electricity.

Oil and natural gas for heating

The consumption is included primarily on the basis of actual statements of consumption. If no such data have been available, the consumption has been included on the basis of estimated consumption according to on-account bills.

The natural gas at a few small localities is not paid according to consumption, but via the rent. It is not possible to obtain statements of consumption.

Indirect energy consumption

The statements of power and district heating consumption at the Group's localities are based on actual metre readings and statements on invoices from suppliers.

The data reported do not include consumption of electricity at construction sites. This delimitation has been chosen because the consumption of electricity at the individual construction sites is sometimes paid for by the client and sometimes by the Group.

CRE1

Statements from the individual companies of the offices' use of natural gas and oil for heating, district heating and electricity from suppliers have been used. Square metres (heated area) and number of office workers have been stated by the individual companies.

The energy consumption for buildings includes consumption for heating of offices as well as electricity consumption.

No correction has been made in relation to climatic differences from one year to the other.

EN23**Waste**

WASTE/KG	2015	2016
Recycling (incl. reuse)	6,778,230	7,081,242
Incineration (or use as fuel)	3,615,377	3,380,648
Landfill	1,893,690	1,917,551
Mixed waste	1,523,779	1,871,325
Other (non-categorised)	210,359	2,308
Soil, transported away from sites	299,760	1,051,020
Total waste	14,321,195	15,326,374
Waste, excl. soil, total	14,021,435	14,275,354
Hazardous waste	2,671,270	1,515,828

The data reported for the period primarily include statements from the waste receivers with which the Group has entered into cooperation agreements and which also handle the main part of the Group's waste. Local waste receivers are also used at some construction sites. The Group is currently seeking to have as many as possible voluntarily using the waste receivers with which the Group has entered into cooperation agreements. The Group is also seeking to influence some of the waste receivers, e.g. to commit to a higher degree of recycling.

It makes no sense to look at actual waste volumes as one year there may be renovation projects which generate a lot of waste and the next year projects may predominantly involve new buildings or civil works which generate less waste. Instead, the focus is on mitigating the environmental effects of the waste. By way of example, the Group is currently working to increase sorting at source to allow a larger fraction to be recycled. At the same time, the Group would like to increase the volume of waste for recycling. Waste which ends up in a landfill causes the largest environmental problems.

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