



Welcome to our

CSR Report 2017



Taking responsibility
for society is part
of who we are

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csrreport2017.tdcgroup.com

CSR at TDC Group

At TDC Group, responsibility is a natural part of our business, based on our heritage and the role we play in society as a leading technology and communications company.

Our approach

We appreciate that as part of society, we have an important role to play. Our approach to Corporate Social Responsibility (CSR) therefore begins in our business areas and reflects our ambition to actively use our core competences to operate and develop TDC Group in a way that promotes sustainability and contributes positively to society's development.

Our focus on CSR also creates business value by reducing costs and risks, supporting innovation and improving our perception of stakeholder expectations while enhancing the company's reputation in society. Our strategic approach to CSR therefore allows us to create value for society at large as well as our business, based on awareness of the social challenges we face.

Purposeful CSR

At TDC Group, we believe that CSR initiatives should clearly reflect and match our identity and profile; who we are, our activities and aspirations, the countries in which we operate, and our customers, employees and business partners. In this context, our fundamental objective plays a key role, which we have defined as: we bring people closer together.

Therefore, with our current CSR strategy, we have defined five focus areas that we use to structure our approach to responsibility and sustainability. These areas are strategically linked to our core business and have been selected based on studies and dialogue with customers, employees, investors and other stakeholders. The five focus areas thus represent the issues of most significance to our company and our stakeholders – and where we can make the greatest difference. Our CSR strategy and its five focus areas are illustrated in the figure below:

Our CSR strategy covers the entire TDC Group, but with a special focus on Denmark, as this is where the majority of our business activities are based.

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

The global goals and TDC Group

Since 2009, TDC Group has participated in the UN Global Compact, the largest global initiative on corporate social responsibility, and we also aspire support and contribute



We have identified the following SDGs as the most important in relation to our impact



Digital skills

We join forces with civil society organisations to promote digital skills, digital citizenship and positive online communities, focusing especially on pupils and parents.



Productivity & innovation

We develop and deliver digital solutions that combined with our digital infrastructure, enable flexible work forms, higher levels of productivity and new forms of innovation.



Digital infrastructure

We invest in digital infrastructure, also in rural areas, to provide access to connectivity. This supports economic development and human well-being in an increasingly digital world.



Our CSR strategy:
We bring people closer together



CSR
agendas



Digital Denmark

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



Togetherness

We bring people closer together and support an inclusive society



CSR
base



Customer trust & safety

We take responsibility for our customers and value chain



Well-being & diversity

We ensure employee well-being and support diversity



Climate & environment

We minimise our environmental impact

positively to the global goals for sustainable development defined under the UN framework – the SDGs (Sustainable Development Goals). Consequently, we have identified the three most important global goals in relation to our contribution as a company. These are the areas in which we believe we can make the greatest difference in a meaningful way through our business activities. We therefore also seek to give special priority to these themes in this report.

CSR ambassadors

In 2016, to strengthen our CSR effort and make it a more living part of everyday life throughout our business, we launched a new team of “CSR ambassadors” among our employees in Denmark.

We believe it is vital for the success of our ambitious CSR strategy that we involve our employees across the organisation and anchor the individual initiatives in our various business areas. The ambassadors have therefore been given a central role in developing and launching new initiatives while also spreading knowledge about the responsibility we undertake and engaging colleagues in our CSR activities. We are therefore very pleased that nearly 100 colleagues across TDC Group have signed up as CSR ambassadors.

In 2017, our CSR ambassadors contributed to activities that are described in more detail elsewhere in this report, including Coding Class, WiFive, the Youth Festival and the initiative with

“Parents in a digital world” in cooperation with the organisation Børns Vilkår. In 2018, it is our ambition that the ambassadors will become an even more integrated aspect of our CSR efforts.

Our impact on society: risks and potentials

From a societal perspective, all enterprises, including our business, entail risks and potentials. In this section, we outline these two dimensions, while the subsequent sections on the individual focus areas provide more detailed descriptions, including how we counter risks and promote potentials.

Generally, our business is characterised by relatively low risks for society for two main reasons: firstly, our business activities do not involve high consumption of natural resources, dangerous working conditions or pollution of any significance, and secondly, our geographical footprint covers Denmark and Norway, which are countries characterised by affluence, welfare and a low level of corruption.

Nevertheless, we operate a communications network and services that are so extensive that they may be described as infrastructure critical to society. Disruptions to our services may therefore constitute a major inconvenience or risk to society, which is highly dependent on stable access to these services. Consequently, we have defined an uptime goal of 99.999% for our IP network, which we met in 2017 except for August when, due to a single major fault, we had an uptime of 99.5%.

We also handle large quantities of data, including sensitive personal data. This means that breaches in data security, including personal data safety, could have significant negative consequences for society. Security and correct handling of personal data are therefore top priorities for us.

Finally, job-related accidents or injuries can potentially occur among our employees, even though our working conditions are relatively safe and healthy, and even though we have significant precautionary measures in place.

In terms of potentials, our business areas represent a wealth of potential gains for society through development, implementation and use of various digital technologies. For example, the increased use of cloud-based services may provide easier access for a company's customers and higher productivity among employees. Implementation of Internet of Things and Smart Cities solutions may also save time, energy and money. Another form of increased safety and improved accessibility for citizens includes increased use of telemedicine and other welfare technologies. The options are almost endless – and the potential benefits are discussed in more detail in the sections on Digital Denmark and on Climate and environment.

The most significant risks and potentials are summarised below:

Risks

- Disruptions in TDC Group's digital infrastructure or services
- Breaches of data safety or personal data safety
- Job-related accidents and injuries

Potentials

- Productivity gains through increased digitalisation of society
- Environmental gains through increased use of e.g. the Internet of Things
- Welfare benefits through increased use of e.g. telemedicine or digital learning resources

About this report

This CSR report covers the entire TDC Group, i.e. TDC A/S including subsidiaries, unless otherwise stated. The reporting period is the 2017 calendar year, and the report was prepared in accordance with Sections 99a and 99b of the Danish Financial Statements Act. A separate report is prepared as a Communication on Progress for the UN Global Compact.

Our business

For over 130 years, TDC Group has played a vital role in bringing people together while creating a cohesive force in society. In an age when proximity can no longer be measured just in metres, but more in megabits and mobile coverage, our role will only become more vital.

Our history began in Denmark and stretches back to the founding of Kjøbenhavns Telefon Selskab in 1881. A number of regional companies followed, and in 1995, the four remaining regional companies merged to become a national state-owned company called Tele Danmark. In 1997, the government completed the process of privatising Tele Danmark, and in 2000 the company adopted the name TDC. A number of European acquisitions then, and at one point TDC was present in 16 different countries.

Since then, the company has undergone a transformation process with divestments, a focus on rationalisation and consolidation in the Nordic markets, which is the scenario for TDC Group today. Throughout the process, our fundamental objective has been to bring people closer together, and by giving our customers access to new technologies, we have contributed to enriching peoples' lives and enhancing society with new opportunities.

Today, TDC Group is the leading provider of communications and entertainment solutions in Denmark, with a market-leading position within landline voice, TV, broadband and mobility services. We also offer cloud-based solutions and system integration solutions to corporate customers. At the same time, TDC Group has a strong presence in Norway, where we provide landline telephony, mobility services, broadband and TV to the consumer and business markets through the companies GET and TDC Norway. GET is Norway's second-largest cable-TV supplier and has a network that together with partner networks covers more than 700,000 homes and businesses.

In Denmark, TDC Group covers all customer segments, channels and product categories in the residential and business markets through a diverse range of strong domestic brands. These brands are based on our undisputed position as the leading provider of technology platforms and infrastructure across all major technologies – DSL (copper cables), cable TV (coaxial cables), fibre (fibre-optic cables), and mobile (2G, 3G and 4G).

TDC Group's presence in the business market also includes a fibre-based network across the Nordic countries through which TDC Group offers business solutions to customers in Sweden and Finland. Finally, through our subsidiary Call Center Europe, we have approximately 125 customer service employees based in Flensburg in North Germany.

The figure opposite gives an overview of our business model.

Our business model

TDC Group's model comprises a range of resources and assets that enable us to develop and upgrade our infrastructure, offerings and customer service to a level from which we can consistently deliver high-quality integrated products and services to our customers and thereby create value for our stakeholders





STAKEHOLDERS	EXAMPLES OF ENGAGEMENT
<div>●</div> Customers	<ul style="list-style-type: none"> • Social media • Customer service calls • In our YouSee Shops and TDC Business centres
<div>●</div> Employees	<ul style="list-style-type: none"> • Dialogue meetings with senior executive vice presidents • Collaboration committees with professional associations and unions • Employee surveys
<div>●</div> Partners & suppliers	<ul style="list-style-type: none"> • Management meetings • Exchange of experience • Evaluation meetings
<div>●</div> Investors	<ul style="list-style-type: none"> • Investor meetings (incl. telephone conferences) • Bilateral dialogue and responses to questionnaires on sustainability and responsibility issues • Annual general meetings
<div>●</div> Authorities	<ul style="list-style-type: none"> • Dialogue with municipal, regional, national and international authorities at bilateral meetings, inter-industry meetings and conferences and hearing outcomes
<div>●</div> Political representatives	<ul style="list-style-type: none"> • Dialogue with MPs and members of municipal and regional committees at bilateral meetings, inter-industry meetings and conferences
<div>●</div> Local community	<ul style="list-style-type: none"> • Open-house events • Dialogue meetings in local communities
<div>●</div> Industry partners	<ul style="list-style-type: none"> • Active membership of industrial associations and networks, including networks and committees specifically related to sustainability
<div>●</div> Interest organisations	<ul style="list-style-type: none"> • Bilateral and multilateral dialogue on key issues and trends of mutual interest
<div>●</div> Media/journalists	<ul style="list-style-type: none"> • TDC Group is in daily dialogue with the media, and as a matter of principle, we contribute constructively to interviews and other inquiries from media and journalists

● ● ● Darker shading indicates deeper interaction with the stakeholder group



Stakeholder dialogue

At TDC Group, our approach to CSR is based on who we are, including where we operate, our business areas and our stakeholders' priorities.

Dialogue with our stakeholders is an ongoing and natural part of our business, as we have interfaces and interactions across society. By engaging in dialogue with our stakeholders, we become better at focusing our efforts on the most significant issues within sustainability and responsibility – and thereby strengthening our ability to address societal challenges.

TDC Group has a wide range of stakeholders who have an interest in how we address issues of societal importance. Sometimes, our stakeholder dialogue is formal and structured around specific topics, but often it is less formal and part of our day-to-day work. The table opposite gives an overview of our stakeholders as well as examples of the forms of our stakeholder dialogue.

Commitment and cooperation

Today, many societal challenges are global in nature, and since 2009, we have therefore participated in the UN Global Compact, the largest global initiative on corporate social responsibility. The compact is based on ten principles in four areas: human rights, labour rights, the environment and anti-corruption.

Our participation in the UN Global Compact is also an important way for TDC Group to demonstrate its commitment to supporting and securing internationally recognised human rights. These are addressed more specifically as integrated aspects of our five CSR focus areas, without a distinct policy on human rights. The principles of the Global Compact also serve as inspiration for

our strategy, for example, in the areas of sustainability and responsibility in the supply chain.

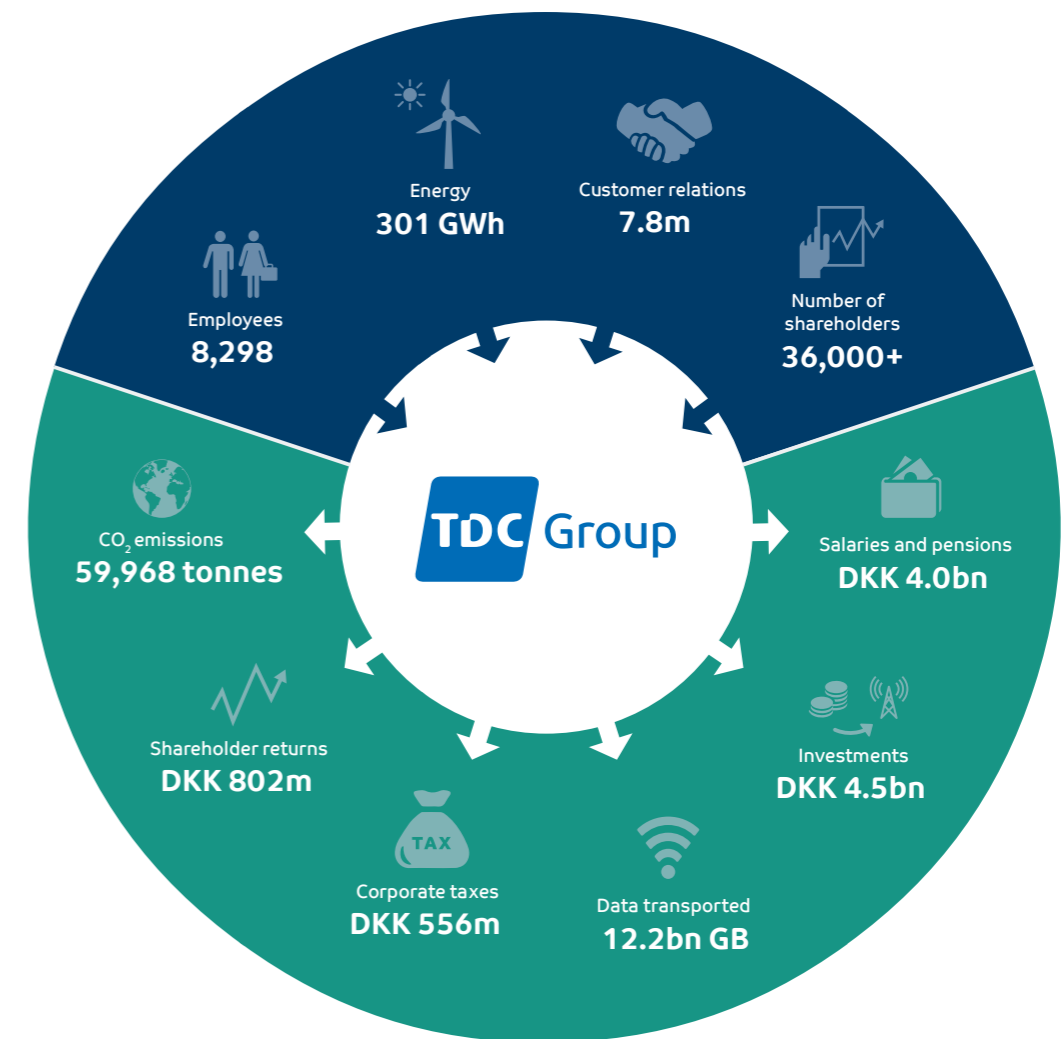
TDC Group also engages in discussions on societal challenges of relevance to our business areas through a range of forums at national, European and global levels. In Denmark, these include the Telecoms Industry Association (TI), The Danish IT Industry Association (ITB) and the Danish Chamber of Commerce, in Europe, the European Telecommunications Network Operators' Association (ETNO), as well as the Global e-Sustainability Initiative (GeSI) and GSMA at global level.

WE SUPPORT





Our Impact



Employees: 8,298

We are Denmark's tenth largest private sector employer with almost 7,400 employees at 122 locations, as well as just under 800 employees in eight regions of Norway and over 100 employees in Flensburg, Germany.



Energy: 301 GWh

We reduced our total energy consumption by 10% compared to the previous year. Most of our energy consumption comprises electricity we use to run our networks.



Customer relations: 7.8m

We have customer relations throughout society, including families, businesses and the public sector.



Number of shareholders: 36,000+

We have many shareholders, including institutional investors, private investors and TDC Group employees.



CO₂ emissions: 59,968 tons

We aim to reduce our CO₂ emissions by 70% from 2010 to 2020, and we are well on our way with a 60% reduction so far.



Shareholder returns: DKK 802m

For 2017, a dividend of DKK 1.05 per share was paid to our more than 36,000 shareholders.



Corporate taxes: DKK 556m

We are committed to responsible and transparent tax practices, and are the tenth-largest contributor of corporate taxes in Denmark. In 2017, TDC Group paid net taxes amounting to DKK 556,483,655. Taxes pertaining to the fiscal year 2017 amounted to DKK 630,021,870, but were partially offset by a return on taxes of DKK 73,538,216 for previous fiscal years.



Data transported: 12.2bn GB

The volume of data transported through our networks continues to increase. This trend is especially driven by a growing use of video streaming. The total amount of data rose by approx. 25% compared with 2016, and almost doubled compared with 2015.



Investments: DKK 4.5bn

We have a high level of investment to further expand our digital infrastructure and develop new products based on cutting-edge technologies. Our network investments amounted to 56%, and DKK 3.8bn of the total amount was invested in Denmark and DKK 0.7bn in Norway.



Salaries and pensions: DKK 4.0bn

TDC Group does not wish to take the lead concerning wages and salaries but aims to give attractive remuneration in relation to qualifications, functions, efforts and results to recruit and retain skilled employees.

Digital Denmark



With our focus area “Digital Denmark”, we wish to maintain Denmark’s position as a leading digital country – for the benefit of citizens, businesses and society at large.

We achieve this by continuing to expand our digital infrastructure, which keeps us all connected with the outside world. At the same time, we contribute towards strengthening the digital skills and digital citizenship of children and young people, so that they are well equipped to work creatively with digital tools and learn how to get on in a digitalised society while treating each other with respect and a good understanding of digital communities and their own roles in them. Last, but not least, we develop solutions that can help solve societal challenges, e.g. telemedicine and services within Smart Cities.

Stronger digital infrastructure

As our society becomes increasingly digitalised, and access to telephone and data connections anywhere and anytime has become a fundamental expectation, more will be demanded of the digital infrastructure required to keep us all connected. Access to mobile telephony and broadband is also promoting productivity in society by making daily life more convenient and creating new opportunities.

We are therefore maintaining our ambitious investments in digital infrastructure, and in 2017 our annual investments in infrastructure (capex) amounted to DKK 4.5bn – equalling DKK 12m every single day all year round. Of these, our network investments amounted to 56%, and DKK 3.8bn of the total amount was invested in Denmark and DKK 0.7bn in Norway.

Our high level of investment is necessary to allow us to further extend our digital infrastructure and thereby provide access to cutting-edge technologies and services. But even though we allocate large amounts, the funds are not unlimited. Consequently, we must always prioritise our investments based on where we can make the greatest difference.



Many of the upgrades and expansions of our fixed and mobile networks that we undertook in 2017 can be seen on the interactive “Upgrade map” that is available from the home page of our online CSR Report. It is, however, important to note that this map does not show the total status of TDC Group’s networks, and not all forms of upgrade and expansion are shown, such as upgrades to the backbone network.

A premium mobile network

In 2017, the Danish Technological Institute tested our mobile network, and for the third year running named it as Denmark’s best and fastest network. We regard it as recognition of our efforts to lead technological developments. The test shows that our mobile network both nationally and locally gives the best customer experience, which means that mobile phone calls in general are close to being faultless, and that our customers always have the best access to 4G. The test also concluded that our mobile network is the fastest at downloading – and significantly faster at uploading than the other operators. The test was conducted in May and June 2017, and since the Danish Technological Institute’s test in 2016, data traffic on our mobile network has doubled.

That does not mean we have finished developing our mobile network, as both technology and customer needs develop continuously, and there will always be a potential for further development and improvements. Therefore, we will continue to regularly expand, upgrade and optimise our mobile network. For example, over the past year, we have erected a new mobile mast or upgraded the existing masts with increased capacity and new technologies at 191 sites in Denmark. In 2017, we began to further enhance our mobile network by implementing a technology that facilitates data speeds of 600 Mbps. However, coverage and capacity may still require adjustment, and here our TDC Netperform app enables users to test mobile network speeds etc. themselves at their precise location. We can then use these data to further develop and enhance our network.

Hybrid broadband tested at customers

On 16 November 2017, TDC Group was the first company in Denmark to test a new broadband product at 250 households through our YouSee business. Our employees connected a new type of hybrid modem that combines data connections from landlines with the 4G mobile network, thereby considerably increasing the customers’ broadband speeds. The test will last for a period of six months.



We consider this hybrid technology interesting from a societal point of view, as although Denmark has one of the best broadband coverages in the world and offers individual citizens the highest broadband speeds, there is still need for faster connections in some areas. Even in a small country like Denmark, local differences can be significant, and in our business, we are aware that many families experience a need for better connectivity.

We have therefore been extremely keen to test hybrid broadband as an option for higher speeds without digging trenches in our customers’ gardens and rolling out new cables. Fortunately, the preliminary results are quite promising, and many customers have given positive responses as the new hybrid technology has multiplied the speeds of their broadband connections following an increase of 30-40 Mbps.

Building the broadband of tomorrow

At TDC Group, we use a range of technologies to provide customers with cabled broadband connections, including fibre-optic, coax (cable network) and DSL connections (copper network).

In 2017, we focused specifically on an extensive upgrade of our cable network with an aim to provide around 50% of all Danish households with access to broadband of tomorrow, or more precisely an opportunity for a speed of 1 Gbps, i.e. 1,000 Mbps. This is achieved by upgrading our systems to DOCSIS 3.1 technology. During 2017, almost 5,000 hubs in our cable network were upgraded and expanded. Naturally, this requires

huge investments on our part, but it also means that a very large number of customers gain access to significantly faster broadband connections without the need for us to lay new cables to individual households. At year-end 2017, we were thus able to cover 21% of households in Denmark with connections of 1 Gbps.

Our customers connected to our copper network have also been upgraded as we have installed a technology called Vplus in selected exchanges and remote network hubs. This gives access to higher internet speeds, particularly in small rural towns, making internet and TV products more stable. In 2017, we have thus expanded our DSL network with 46 new hubs and made over 800 upgrades of existing hubs, thus providing customers with access to faster broadband connections through our copper network.

Finally, we have built infrastructure for high-speed broadband in around 500 new housing areas using either fibre or coax connections to provide over 15,000 households with access to the best digital connections.

Better connectivity throughout Denmark

At TDC Group, we are committed to ensuring that digital technologies benefit as many people as possible. Naturally, this includes access to good digital connections. In addition to our efforts to ensure that we can provide Denmark’s fastest mobile network with the best coverage, TDC Group has established a so-called “Rural Area Initiative” to support better broadband connections in rural areas.

Through this model, we offer to upgrade the local digital infrastructure for broadband and TV connections, provided that at least 50 households no more than 500 metres apart are interested in upgraded connections. We can thus deliver download speeds of 30–100 Mbps via our YouSee business to the areas with the greatest local needs and interest.

This Rural Area Initiative has attracted intense interest, both on a national and local level. As a result, during the year, broadband connections were upgraded for customers in e.g. Allinge on Bornholm, Blokhus in North Jutland, on Orø (an island near Holbæk) and in Lohals on Langeland.

Altogether, through the Rural Area Initiative and similar activities, in 2017, TDC Group upgraded the cabled networks in 30 local areas, providing 4,978 households with access to faster broadband connections.

Digital citizenship and future skills

As the leading supplier of digital connections, we find it natural to take co-responsibility for ensuring that as individuals and as a society we have the skills required for a digital age. This relates to the technical, creative and social skills that are crucial for

developing as individuals and treating others respectfully in a digital universe. This applies especially to new generations for whom the digital world is a reality almost from birth. It is a huge task – but also one that, as a company, we wish to take on.

Digital driving licence underway

Based on the shared goal of strengthening digital citizenship and preventing online bullying among children and young people, TDC Group has teamed up with the Association of Danish Pupils on the “WiFive – the good digital citizenship” project.

This initiative was inspired by the fact that though the digital world is becoming an increasingly important aspect of childhood, efforts to educate children in dealing with social media and digital platforms have not kept pace with developments. Consequently, many young people lack the tools to deal with and avoid uncomfortable experiences online. Our partnership aims to help remedy this situation by involving pupils in helping to identify solutions. We are therefore looking for new ways of supporting good digital citizenship based on the pupils’ own knowledge and experience.

Kick-off event for “WiFive – the good digital citizenship”



The project will run until the end of 2019, and we aim to have at least 30,000 pupils complete an online course and thereby qualify for a “digital driving licence”. The licence will be launched in spring 2018, as we have spent 2017 developing the actual content of the digital licence with 10 flagship classes across the country, comprising co-creators and ambassadors for digital citizenship. The project targets intermediate classes, i.e. 4th to 6th grade, but we have also gathered inspiration from older pupils, e.g. at a workshop at the Youth Festival ’17.

Skills for the future

At TDC Group, we are committed to ensuring that citizens in our society are equipped to understand, think and create in a digital reality. In other words, that as a society we have the skills required for the twenty-first century – not least the brand new digital skills.

We seek to do this based on an agenda we call “Skills for the Future”, whereby we aim to bring attention to the challenges related to skills we face as a society in a digital age, and what is required in order to ensure the necessary future skills. As part of this effort, TDC Group is active in the initiative “Coding

Class”, which we have helped start under the framework of the Danish IT Industry Association. The objective of Coding Class is first and foremost to get children to interested in IT and technology, so they gain a better understanding of the world that surrounds them now and in future. For example, by giving children the opportunity to challenge themselves with an exercise involving coding and programming. We hope this will help future generations to gain a basic understanding of the digital foundation on which our society is built.

The project is set up in collaboration with municipalities and schools and involves introducing mainly 6th grade pupils to algebraic and abstract thinking, logic structuring and problem-solving as well as dedicated coding. Finally, the pupils visit companies such as TDC Group to see how coding and digital tools are part of everyday working life. The project is taking place in close cooperation with the National Agency for IT and Learning as well as the voluntary association Coding Pirates.

In 2017, a total of 137 classes participated in Coding Class, and we began collaborating with the Metropolitan University College in Copenhagen on offering Coding Class as a new subject for

future teachers. We hope this initiative will help future teachers in their ability to teach pupils about using IT for creative productions.

Telemedicine and welfare technology

Public health services are coming under pressure as, over the years, larger parts of the ageing population will require treatment. Similar scenarios exist for other welfare services, including education and care for senior citizens, where the societal ambition is to ensure the highest quality for the available resources. At the same time, digital communication can allow welfare tasks to be solved in a more flexible and efficient manner, e.g. by enabling citizens to monitor their own physical condition and receive medical advice in the comfort of their own homes.

Consequently, TDC Group is committed to developing and promoting telemedicine and welfare technology solutions across Denmark. We see a bright future for using technology to provide smarter welfare services within healthcare and related areas to potentially improve citizens' quality of life, while making everyday life easier for carers and reducing wasted time, the need for transportation, and healthcare costs.

In 2017, TDC Group has been a supplier to several telemedicine and welfare technology projects, including a large project covering users in the Greater Copenhagen Area. This included patients with heart failure, COPD patients and pregnant women who can take measurements at home and submit the data to the healthcare personnel at the hospital using measuring equipment connected to a tablet computer.

Smart sensors can optimise waste collection by

70%



We also cooperate with two Danish municipalities concerning virtual home help using 'online visits' for senior citizens. This enables the citizens e.g. to easily receive video calls from the home-help personnel to follow up on e.g. their eating or get advice on medication. In this way, the citizens achieve more flexible access to the home-help personnel, and local authorities can reach more citizens in a shorter space of time as the need for transport is reduced.

Internet of Things & Smart Cities

The information and communications technology (ICT) at the core of TDC Group's business represents huge potential for achieving rewards for society as a whole, including benefits for the environment and climate. For example, this can involve machine-to-machine (M2M) technology, in other words telecommunication between machines, also known as the Internet of Things (IoT), which allows for monitoring processes in real time or measuring on machines that are difficult to access in order to increase production efficiency and reduce consumption of natural resources. Over the past few years, from a societal perspective, this has resulted in an agenda headlined Smart Cities, which addresses how these technologies can make our modern society more efficient, environment-friendly and citizen-friendly – without the solutions being reserved for cities only.

At TDC Group, we are currently developing and implementing solutions based on these technologies, e.g. in collaboration with Danish municipalities. For example, one project involves measuring air pollution in Copenhagen and Albertslund/Glostrup, where data from nine measuring stations is sent real-time using our IoT mobile technology. The data are used for urban planning regarding constructions and traffic, and several other possible applications are being considered. Another example is the use of waste sensors for monitoring when waste containers need to be emptied – and when the collection might be postponed. In this way, time and energy may be saved, and CO2 emissions reduced. In two pilot projects, the City of Copenhagen has seen a 70% optimisation potential in the inner city, and has therefore decided to roll out a further 1,000 sensors.

In 2017, we tested Narrow Band IoT technology, which is the LTE mobile network of the future built specifically for the Internet of Things. Narrow Band IoT is characterised by good coverage, low battery consumption and not least application of inexpensive and simple technology that makes IoT more accessible for our customers and partners. In 2018, the first Danish cities will be covered by a commercial network for this technology.

Togetherness



People have always needed to communicate, and as a company, we play a very special role in facilitating communication and ensuring connections between people.



Through this, we create a cohesive force in society and reduce distances at a time when proximity can no longer be measured only in metres. Our mission is to bring people closer together and support togetherness. We achieve this in various ways through partnerships to strengthen togetherness and community spirit across society.

Parents in a digital world

Today, parents face the daunting prospect of considering and handling new challenges when their children begin exploring the many opportunities of the digital world. Unfortunately, as there is no good advice and experience accumulated over several generations to rely on, many parents find they are ill-equipped to set out guidelines for their children's use of digital and social media. That has become evident thanks to our long-standing

collaboration with the Børns Vilkår organisation's BørneTelefonen (Child Helpline) and ForældreTelefonen (Parent's Helpline); a collaboration which we were proud to celebrate the 30th anniversary for in 2017.

At TDC Group, we wish to take joint responsibility for ensuring that children and young people join and develop good digital citizenship. We also acknowledge that parents play an important role in this context. We have therefore joined forces with Børns Vilkår to offer free training workshops and webinars to give parents a better understanding of the digital world facing children, so that they can support and guide their children towards safe and positive experiences that they can enjoy together online.



Youth Festival '17

At year-end 2017, more than 2,000 parents had already taken part in these training programmes, which in fact surpassed our expectations. In 2018, we will continue to hold webinars and workshops at schools, in housing associations and other contexts where it is possible to gather interested parents.

New lives for old mobile phones

In Denmark, estimates show that more than a million mobile phones are discarded or stored in drawers even though they are still working. Instead of gathering dust in drawers or wasting space, all these many mobile phones can create value – both for the environment and financially – by being recycled. Consequently, in 2017, TDC Group initiated a nationwide collection of mobile phones to ensure that old mobile phones are recycled in an environmentally safe manner. At the same time, we decided that the income from this project should help children and young people develop and take part in positive relations online.

Since summer 2017, all YouSee shops, TDC Business Centres and all TDC Group locations have accepted old mobile phones donated to this cause. We make sure that all donated mobile phones are sold for recycling, and that all the money goes straight to Børns Vilkår and our joint efforts to prepare parents for helping children to enjoy a good digital life. In 2017, more than 8,000 used mobile phones were collected, and we will continue the collection in 2018.

Support for the Child Helpline

It is important to TDC Group that children and young people can use digital technologies securely and safely. At the same time, we would like to use our communications technologies to support security. That is why for many years TDC Group has teamed up with the Børns Vilkår organisation and supports its work with

children and young people through use of our technologies and know-how.

The Child Helpline is an important part of this work, and TDC Group supplies the telephony and internet services for the helpline entirely free of charge. This partnership ensures that children and young people always have someone to call if they are facing serious problems, need help with relationships involving friends, romantic attachments and parents, or feel excluded due to teasing or bullying. In 2017, more than 50,000 children and youths contacted the Child Helpline and were given advice by the organisation's volunteers, which is an increase of more than 20% compared with 2016.

TDC Group employees also helped raise additional funds for Børns Vilkår in 2017 through a collection of mobile phones, business network and employee donations.

Uniting citizens of tomorrow

On 7-8 September 2017, TDC Group took part in the second Youth Festival held in Søndermarken close to Copenhagen, which attracted about 20,000 participants. The Youth Festival stimulates participation, dialogue and fellowship among young people, so that as future citizens they can help solve problems faced today.

As Denmark's largest supplier of digital connections, TDC Group chose to participate in this event and talk with young people about issues relating to digital trends in society, including digital citizenship and digital communities. In our view, it is essential that young people are involved and invited to contribute relevant knowledge and concrete suggestions for solving the societal challenges we are currently facing.

Coding Class visit to TDC Group



Workshop for parents



Mobile phone collection



More specifically, TDC Group hosted a workshop and several debates on the impact of digitalisation on our sense of community and our social interaction. The aim was to make young people reflect on presence and absence in a society where digital media and online communities impact on physical togetherness and face-to-face communication.

Finally, as network partner for the Youth Festival, TDC Group supplied wireless WiFi hotspots to ensure sufficient digital infrastructure for the event's many visitors as well as organisers.

Enigma – Denmark's Museum of Communication

Since 1996, TDC Group, together with Post Danmark, has been a staunch sponsor of the Post & Tele Museum, which, in 2016, moved to a new venue at Øster Allé in Østerbro, Copenhagen and was transformed into "Enigma – Museum of Post, Tele & Communication". The name "Enigma" comes from the Greek for 'puzzle', and was chosen to stimulate curiosity and thoughtfulness in the field of communication.

Enigma is the Museum of Communication for the whole of Denmark and is also in charge of research, exhibitions and spreading facts and figures about the past, present and future of communication. The new museum itself was designed to invite people to communicate with each other and therefore contains e.g. a café with only long tables for sharing, and will feature regular events to encourage interaction, including reading aloud for children, scientific lectures, panel debates, debating lounges and workshops. The first phase of the transformed museum was opened to the public in January 2017.

In 2017, TDC Group and Enigma also teamed up to organise topical debates for the Youth Festival on themes including digital communication, as described above.

Connections for Denmark's Collection

As we have done since 2007, in 2017, TDC Group participated in setting up and holding 'Danmarks Indsamling' (Denmark's Collection); an annual nationwide event that raises funds for specific humanitarian purposes and development projects.

TDC Group employees volunteered and TDC technology was contributed free of charge for the fund-raising event, which involves collecting donations made via SMS and phone call. In 2017, TDC Group helped Denmark's Collection to raise DKK 90 million for initiatives focusing on malnourished and undernourished children, an everyday problem for millions of children worldwide. The funds have gone towards e.g. projects that support breakfasts for pupils in Bolivia, prevention and treatment of undernourishment in children in Madagascar, help for families made homeless in Afghanistan and nutrition training for parents in Mali and Burkina Faso.



It is important to TDC Group that children and young people can use digital technologies securely and safely

Customer trust and safety



At TDC Group, our work is customer-centric, and it is essential that our customers trust us and feel safe and secure when using our products and services.



TDC Group's Security Operations Centre

We therefore make sure that our products score top marks on safety, and have specified requirements concerning sustainability and human rights in relation to our suppliers. We strive to communicate with our customers in a clear and trustworthy manner so that they feel well-informed about how to enjoy full and secure use of our products.

Attentive customer dialogue

Dialogue with our customers is a vital tool for safeguarding trust and safety. Bearing this in mind, TDC Group continuously strives to maintain an attentive and trusting dialogue with customers, based on their needs and expectations. We accomplish that in our shops, in connection with technician visits and through customer services calls, electronic newsletters and social media, including Facebook and Twitter, where we invite customers and the general public to give us feedback on our products and services.

Raising customer satisfaction

At TDC Group, we focus strongly on customer satisfaction, which we continuously monitor by measuring specific parameters and implementing regular initiatives.

An important initiative in 2017 was our “Quality Time” initiative at YouSee, where the employees regularly identify areas of product stability and customer-centric processes requiring improvement. Similar work with processes was completed by our other brands and we continued using “Customer Feedback Loops” that involve managers contacting customers when they express low satisfaction.

Last but not least, we chose to insource customer service and support from an external supplier to simplify our work processes and make being a customer with TDC Group easier. Our customer service will become more flexible, as we obtain more in-house information that can speed up process improvement. This was more difficult when customer service was performed by two different organisations.

Customer security

At TDC Group, product security is a top priority, and we base our work on four principles: protect our company, protect our employees, protect our customers and protect the citizens. This ensures that our customers enjoy the full potential of their products in a confident and safe manner, whether they are business customers or consumers. This is of particular

importance, as the digital world includes a number of risks concerning data safety, privacy protection and IT crime.

In light of this, we have ramped up our security efforts during 2017, e.g. with a new chief security officer, and in 2018 we plan to hire around 40 new employees within the field of security, including technical specialists as well as so-called “ethical hackers”.

Security policy and personal data

At TDC Group, we take overall responsibility for both IT security and physical safety by applying a wide-ranging Group Security Policy based on best practice and compliance with the ISO27001 standard for handling IT security. We also apply other industry standards, e.g. ETIS – European Telecommunications and Information Systems.

Unfortunately, no company can guard its customers against all risks or security threats on the internet, and that also applies to TDC Group. However, we do everything we can to ensure that our own products are safe for our customers to use. We achieve this via extensive safety tests and by including built-in safety and privacy protection in our products from the outset. We also advise our customers on digital security through e.g. social media, our website and electronic newsletters that include recommendations on how to handle viruses, spam, phishing and other kinds of fraud.

We also strive to share our know-how on IT security with the outside world through e.g. our annual DDoS report, which describes the trends and implications as we see them in this field. DDoS (Distributed Denial of Service) is a frequently occurring type of cyberattack where the attacker seeks to block access to e.g. a company's website by using a large number of computers from the internet to carry out a coordinated attack.

In addition, TDC Group is a member of the board of the 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 securely from the opportunities afforded by digitalisation.

In the field of protecting customer data, we apply the need-to-know principle, i.e. checking who has access to which personal data in our systems, and access is given only to those employees who have a work-related requirement. In cases where we collaborate with external partners on data handling, specific agreements are concluded on how to handle personal data. If these rules are found to have been violated, the matter is reported to the Danish Business Authority.

In 2017, we reviewed and updated our IT security policy to reflect the risks and challenges constantly developing, and during our



We blocked over 700 million spam mails every month

extensive preparatory work prior to enforcing the new requirements concerning data protection for individuals, which will come into force with the General Data Protection Regulation, also known as GDPR. More specifically, this involves new and updated processes and changes in IT systems, and that all managers and employees must be trained in how to handle personal data. The changes in processes and systems combined with training will ensure that we comply with the new legislative requirements and expectations.

Safe products

Safety is inherent in our products. For example, our systems use DMARC protection to significantly reduce the number of fraudulent mails and provide better protection for receiving mails. Furthermore, every month, our general spam and virus filters stop more than 700 million unwanted and malicious e-mails from reaching our customers' inboxes. We also offer our customers a choice of products with extra security and safety features, such as security packages for broadband and the option of parental controls. And we contact business customers as well as consumers if we discover abuse, e.g. if mail accounts or equipment have been hacked by IT criminals and malware distributed.

Continuous monitoring

Security at TDC Group is continuously monitored, both daily and via internal and external audits. As a supplement to our Network Operations Centre (NOC), which continuously monitors the stability and accessibility of our systems and services, TDC Group has set up a Security Operations Centre (SOC) that monitors the security in TDC Group's IP network round the clock to prevent attacks against our customers and ourselves. From here we handle all forms of cyberattacks, including e.g. DDoS, ransomware, phishing, hacking etc. We will continue to invest in this area, both in terms of employees and technology. We not only use our own resources but liaise with authorities and international organisations globally to gain access to better know-how and information on expedient courses of action.



TDC Group strives to be the best in the Nordic countries with regard to security

Since security threats know no bounds, TDC Group participates in international fora to be better equipped to protect our customers and ourselves. For example, we regularly participate in activities through Forum of Incident Response and Security Teams (FIRST), which is a global organisation of more than 700 companies and public authorities sharing know-how and coordinating efforts concerning IT security. Sharing practical information and learning from each other's strategic initiatives is of great value in continuously improving security.

In addition, as part of our contracts with suppliers and partners, we set high requirements for IT security and cooperate closely with the relevant Danish authorities. TDC Group also has regular contact with relevant authorities in connection with threat assessments and takes the necessary measures to secure customers and infrastructure in the best possible ways.

Due to our focus, investments and activities, there were no incidents in 2017 such as the one that affected our TV signal on New Year's Eve 2016. No organisation can guarantee that it cannot be compromised, but at TDC Group, we have done all we can to reduce this risk to an absolute minimum. With regular assessments made both by in-house and external parties, continuous investments and Management focus, TDC Group strives to be the best in the Nordic countries with regard to security.

Value-chain responsibility

When buying products from TDC Group, customers should feel sure that attention has been paid to responsibility throughout the entire value chain in relation to e.g. human rights and the environment. Consequently, we make demands on our suppliers that also apply to their suppliers. This is implemented through a Code of Supplier Conduct and in our supplier contracts. The requirements are based on the UN Global Compact, of which we have been a member since 2009. Since then, we have updated and further specified our standard contract criteria.

Furthermore, through membership of the organisation 'Global e-Sustainability Initiative' (GeSI), TDC Group addresses global challenges together with other telecommunications operators, equipment producers and organisations such as EICC, UNEP and WBCSD. This involves compliance with human rights and improved sustainability in global value chains in particular.

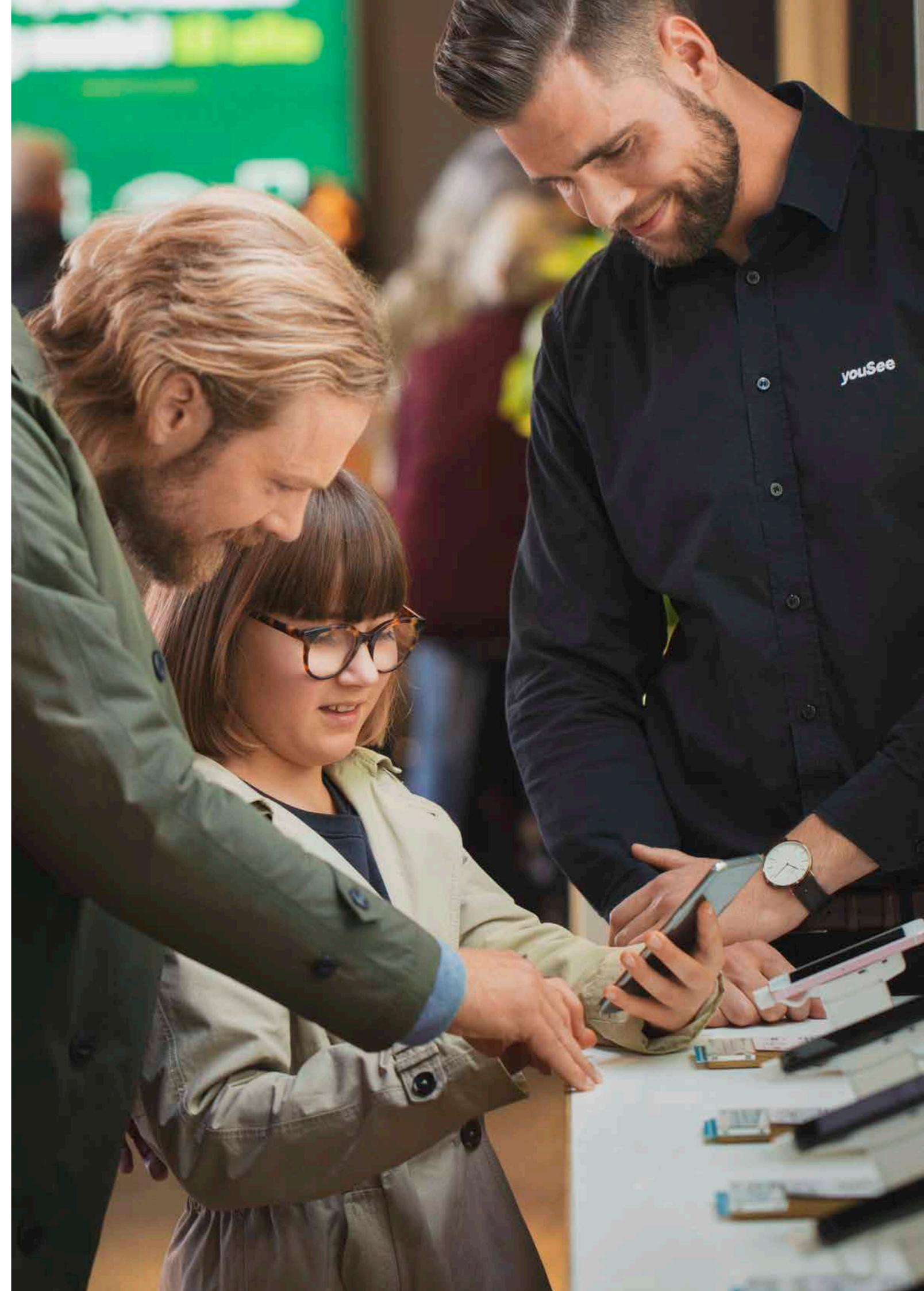
Unfortunately, in 2017, we experienced irregularities at sub-suppliers of one of our major suppliers. We have therefore implemented an extensive analysis to identify risks in our supply chain, and we are examining potential tools and procedures to strengthen the screening, monitoring and dialogue regarding responsibility and sustainability within our supply chain.

Anti-corruption and whistleblowing

At TDC Group, we have an Anti-Corruption Policy that sets out clear expectations and guidelines for employees, customers, business partners and public authorities. The policy is communicated to all employees through various in-house channels, and we are continuing to increase familiarity with in-house precautions through communication targeted at departments working with major contracts.

Although TDC Group operates only in the Nordic markets, which are characterised by a low level of corruption, and has not had any such cases, we chose to clarify to all our stakeholders that TDC Group does not tolerate corruption of any kind. We are pleased to report that, once again, no cases of this kind were experienced in 2017.

We also have a whistleblower system that gives employees in TDC Group (excl. subsidiaries) an opportunity to report irregularities and conditions or issues particularly open to criticism. However, in 2017, we could conclude that no reports were submitted.



Employee well-being and diversity



At TDC Group, taking responsibility for our employees' well-being in its widest sense is a natural part of our business.

Our markets are highly competitive and rapidly changing, and this demands a lot of our employees' performance and readiness for change. In turn, TDC Group has a responsibility to ensure that our employees are thriving despite the challenging circumstances. That applies during day-to-day work, when developing employee competences and when training our managers.

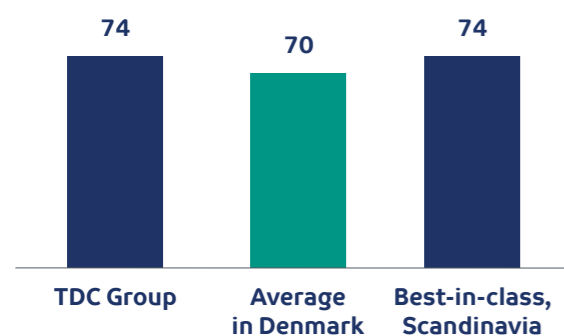
In recent years, our high employee satisfaction score has reflected our continuing targeted efforts to ensure that our employees are thriving and feel both dedicated and motivated. Meanwhile, we also pay close attention to the physical and psychosocial working environment and to preventing work-related accidents.

For many years, TDC Group has endeavoured to be a diverse workplace that welcomes all types of employees. We are focusing on diversity because we value having a diverse and competent workforce irrespective of gender, ethnicity, sexual orientation and work capacity. Since TDC Group is a large company with an important role in society and we deal with all types of customers, we want our staff to reflect the society in which we operate.

Employee well-being

At TDC Group, we prioritise that our employees thrive and feel comfortable at work, as that is vital for the quality of our customer service – and thus also our success as a company. We therefore measure and follow up regularly on job satisfaction. We enjoy a well-established cooperative relationship with our employees' professional associations and unions, and maintain an extensive working environment system including certification in accordance with the international OHSAS-18001 standard.

Employee satisfaction score in 2017



Our job satisfaction index score of 74 is considerably higher than the average for the Danish labour market in general, and among the best companies in Scandinavia.

This provides us with a systematic approach to preventing work-related accidents, procedures to improve our working environment, regular working environment inspections and our clear focus on subjects including work-life balance.

High job satisfaction and motivation

In 2016, we introduced a new employee survey that allows us to focus explicitly on the elements that drive employee job satisfaction and commitment. The results of the 2017 survey show that we succeeded in maintaining the high level of job satisfaction among our employees, who are still motivated and highly committed to their day-to-day work and willing to go the extra mile when required.

Our job satisfaction index score of 74 is considerably higher than the average for the Danish labour market in general, and among the best companies in Scandinavia. As always, we systematically follow up on the results of the survey to identify and implement the required improvement actions – both in the individual teams and as an overall workplace – so that in future we remain among the best regarding job satisfaction and commitment.

On a daily basis, we work to support job satisfaction and excellent cooperation across TDC Group through a joint framework of work principles entitled “OurWay”. This ensures that we all act on the basis of our common values and four promises that involve: how we put our customers first, how we cooperate, how we make decisions and how we execute – always based on our purpose, i.e. bringing people closer together. This guides us to make the right decisions in our day-to-day work when facing decisions of all dimensions and difficult dilemmas. OurWay covers employees at all levels and was implemented across TDC Group in 2017.



Employees helping with hybrid broadband test

Education, training and mobility

TDC Group is constantly evolving, and that makes heavy demands on ensuring that our employees' skills continue to develop. Therefore, in 2017, we launched a new tool called “MyPlan”, which ensures that all employees have clearly defined development goals and plans for how to achieve them. MyPlan also ensures that all employees receive structured feedback on their performance and behaviour in relation to “OurWay”. With MyPlan, we also focus on career opportunities and in-house mobility so that employees can develop their potential through new challenges and responsibility.

In 2017, we also admitted 21 young talents to our graduate course for specially selected graduates. All the graduates represented critical skills that will be required in future. The graduate course is a one-year course that paves the way for a good career start, with the graduates rotating between departments to obtain maximum company insight and the ability to think across the value chain. Their learning will also accelerate with major challenges and responsibility on the job, and through training in case camps in e.g. project management, presentation techniques and customer insight.

Every year, we also take on trainees, e.g. in our shops. Furthermore, in 2017, we cooperated with the vocational training institution TEC (Technical Education Copenhagen) on a specialist training course for electricians, for whom we also provide apprenticeships. Through this, we also contribute towards shaping future vocational training and training future technical manpower.

Collaboration with professional associations and unions

For years, we have maintained a firmly established, structured and constructive dialogue with our employees' professional associations and unions to ensure that employee concerns are discussed and that the parties work together to solve challenges.

Collaboration procedures in TDC Group are characterised by a wish to reach agreement through constructive dialogue characterised by mutual trust, recognition and respect for one another on an equal footing. This collaboration ensures active participation in the development of TDC Group and appreciation of our strategies.

This is in extension of the long-standing tradition for constructive relations in the Danish and Nordic labour markets, with professional associations and unions playing important roles. We believe that the active involvement of employees and managers in developing the company is vital in terms of the company's competitiveness, value creation, well-being and security, and for a good working environment.

In practice, it all takes place through an extensive collaboration system that reflects TDC Group's organisational structure while allowing for engaging and involving employees in company decisions and corporate development. In addition to a Main Works Committee (MWC), the system comprises collaboration committees in the various entities and permanent committees dealing with education and training, non-discrimination, communication and canteen matters.



We have also established close contact with the professional associations and unions and our employees through the formal working environment fora, the Main Working Environment Committee (MWEC) and the more than 100 working environment groups that help us comply with the Working Environment Act and the basis for the internationally recognised working environment certificate OHSAS 18001. TDC Group also has a European collaboration committee that covers collaboration across the companies in Denmark, Norway and Germany.

Finally, the Board of Directors of TDC A/S has four employee representatives elected in accordance with the rules of the Danish Companies Act. The employee representatives currently elected are also members of professional associations and unions.

Health and safety

At TDC Group, our initiatives to secure a good physical and mental working environment continued based on an extensive working environment system certified in accordance with the international OHSAS-18001 standard. Through our working environment organisation, we continuously focus on reporting challenges seen and experienced by our employees so that the entire organisation can learn from the challenges and solutions devised. Twice a year, the more than 100 working environment groups review their own coverage areas to check for possible working environment challenges. These challenges and derived action plans are recorded centrally so that everyone can learn from the solutions applied locally.

With regard to minimising work-related accidents, everyone in the organisation has joint responsibility for focusing on maintaining a safe working environment. Any work-related accidents are analysed by the employee involved in the incident and by his or her manager and working environment group, and it is their duty to report it in a central system. This knowledge becomes part of

the preventive measures that are subsequently distributed to parts of the organisation with similar risks.

For TDC Group in Denmark (excl. subsidiaries) the number of work-related accidents resulting in absenteeism was 40 in 2017. In 2017, the accident incidence rate, which is based on 10,000 employees, was 65, slightly higher than 60 in 2016. By contrast, the most recent statistics from the Working Environment Authority (2016) show that the total incidence rate for reported work-related accidents for all trades in Denmark was 152 accidents per 10,000 employees.

For Get and TDC Norway, the total accident incidence rate was 98, which unfortunately is an increase compared with 2016. Here, the number of accidents with absenteeism totalled 8, due e.g. to injuries from falls due to slippery winter road conditions in Norway.

For the entire TDC Group, naturally the goal is always to avoid accidents altogether, which is why each accident both with and without absenteeism is systematically analysed to ensure that preventive measures span the entire Group. This, together with our increased awareness of regularly monitoring risks, explains our continued positive trend for reducing the number of accidents.

Regarding overall health, TDC Group has a number of supportive offers for its employees, including health insurance, access to a midwife, quit smoking courses, advice on substance misuse, emergency counselling and psychological therapy. For years, we have also supported physical activity among our employees through participation in the ‘We cycle to work’ campaign, and we have put men’s health on the agenda with a health week in our Danish canteens.

Diversity

We also have a diverse range of employees in terms of educational background – everything from technicians in the field to customer service staff and highly educated academics and engineers. We believe that our diverse range of employees is a strength when devising creative solutions, collaborating across the company and meeting the needs of our various customers.

We have employees in many different regions; in Denmark, at year-end 2017, we had almost 7,400 employees at 122 different locations, just under 800 employees in eight regions of Norway and over 100 employees in Flensburg, Germany.

TDC Group has worked with diversity management for many years, and has achieved positive results from the company’s initiatives. These include paid parental leave (Father’s Hug scheme), flexibility in work planning involving home offices or part-time jobs, schemes for senior employees, ethnic diversity and retention of employees with reduced working capacity, e.g. through flexible working hours or relocation to another department.

To strengthen our strategic work on diversity, we set up a steering committee in 2017 to drive and support initiatives promoting equality and diversity. Here, we focus particularly on increasing the number of women in management, and in 2017 we completed the first training programme exclusively for female managers. We also established a management network so that female managers can meet and discuss the specific challenges they face.

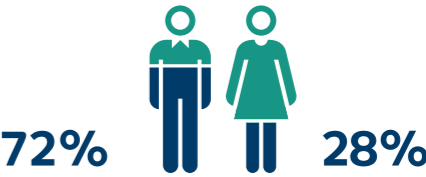
Finally, our Group CEO, Pernille Erenbjerg, is a member of the Gender Diversity Roundtable Denmark, which is a gender-equality initiative anchored in the UN Women organisation for top business managers, educational institutions and NGOs composed to identify relevant tools and solutions to promote diversity.

Women and men in TDC Group

For years, we have focused on increasing diversity through gender equality, and we have adopted a policy that includes an ongoing goal for the entire TDC Group in Denmark, including subsidiaries, that the number of female managers at all management levels below the Board of Directors and Corporate Management Team (CMT) should reflect the proportionate distribution of women in the company, i.e. a factor of 100. At the end of 2017, 28% of all employees at TDC Group (excl. CMT) in Denmark were women, and 22% of all managers were women, i.e. a factor of 79. For the entire TDC Group, 28% of all employees were women, and 23% of all managers were women.

By way of comparison, the most recent public statistics show that approximately 48% of the Danish workforce are female – but only

All employees



All managers



Corporate Management Team



27% are managers, i.e. a factor of 57. However, even though our figures are relatively high compared with the national average, we have yet to reach our goal. We will therefore be continuing to develop key HR procedures, such as recruitment, development and talent programmes, to ensure that we find and maintain all potential talents across the TDC Group – both female and male.

On the Board of Directors for TDC Group, gender is one diversity parameter taken into account when recruiting board members. At the end of 2017, the board members elected at the annual general meeting consisted of three women and four men, corresponding to 43% and 57%, respectively. TDC Group is thereby also compliant with the requirements for the composition of management according to gender as defined in Section 99b of the Danish Financial Statements Act and the latest guidelines from the Danish Business Authority.

An equitable gender distribution, as defined in the latest guidelines from the Danish Business Authority, was attained in the Board of Directors of our subsidiary TDC Telco Aps. However, an equitable gender distribution has not been attained for our subsidiary Dansk Kabel TV, and, as such, targets for the gender composition of their Board of Directors will be set at the earliest opportunity.



85% of new fathers took paternity leave with pay

Full-time fathers

At TDC Group, we believe that an interesting working life should not stand in the way of a healthy family life. On the contrary, we believe that they should go hand in hand. For this reason, for more than 13 years we have endeavoured to make it attractive for our new fathers to spend time with their children, as we offer them up to 14 weeks of paternity leave with full pay. In this way, we have successfully included fathers taking paternity leave as a natural part of our culture. In 2017, an impressive 85% of new fathers in TDC Group in Denmark accepted the offer of paternity leave with pay.

We find employees are happier and more balanced when they have more time for family life. Mothers and fathers who share the task of parenthood are on a more equal footing in terms of everyday life, career opportunities and the outside world. It is easier for these families to plan when to focus on their careers or family life – for the benefit of their workplace and the family.

So naturally, TDC Group was fully supportive of the Government's campaign "Orlov – ta' det som en mand" (Leave – take it like a man), which was launched in November 2017 and will run till 2020. In that connection, TDC Group joined the declaration on creating cultural change, so that many more fathers in Denmark will take parental leave. Through our efforts to support fathers in taking paternity leave, TDC Group also wishes to encourage greater gender equality in society as a whole.



Integration at work

As a large company widely represented in society, we have, for many years, structured our work on making ethnic diversity a natural part of our work culture. In our Danish businesses, nearly every tenth employee has an ethnic background other than Danish. Consequently, it was natural for us to become involved in integrating new citizens in a situation where, for the past couple of years, a significant number of refugees from Syria and other countries have been arriving and beginning new lives in Denmark.

Links with the labour market are often the key to successfully integrating new citizens in the community. TDC Group was one of the first companies in Denmark to set up and offer newly arrived refugees a so-called basic two-year integration course (IGU) that combines a paid work placement with school education, including language training.

This initiative was launched in close collaboration with the professional organisations at TDC Group, and the project is a success as TDC Group is already a diverse workplace, and as managers and employees can see that it is purposeful and wish to take on corporate social responsibility. Fortunately, a number of TDC Group employees have eagerly signed up as mentors and interpreters for the IGU trainees. The mentors are not just a great source of support in everyday life, but also from the outset contribute to the IGU trainees' integration at TDC Group.

We are convinced that by helping them become integrated in Denmark through the IGU project, we are not only making a difference for the individual refugees, but also for TDC Group employees. It is evident that when we go the extra mile, the reward is excellent manpower.

In 2017, we held three active IGU courses as well as three work experience courses to introduce the IGU courses. We expect to recruit for three more IGU positions in 2018, and are regularly exploring opportunities for establishing work experience courses followed by IGU courses.

The Specialists

TDC Group cooperates with 'The Specialists', an enterprise that employs people with autism spectrum disorders to solve special zero-error tolerance tasks. Some of these colleagues test mobile phones, and others process orders using TDC Group IT systems or send letters containing SIM cards and other important materials to customers. This work is of great value to our company, as the consultants from The Specialists are highly focused and have an exceptional eye for detail that our customers appreciate. TDC Group has cooperated with The Specialists since 2004, when the enterprise was founded by a former employee.

Climate and environment



We have only one planet to share and our environment is currently challenged by climate changes, pollution and other consequences of human activity.

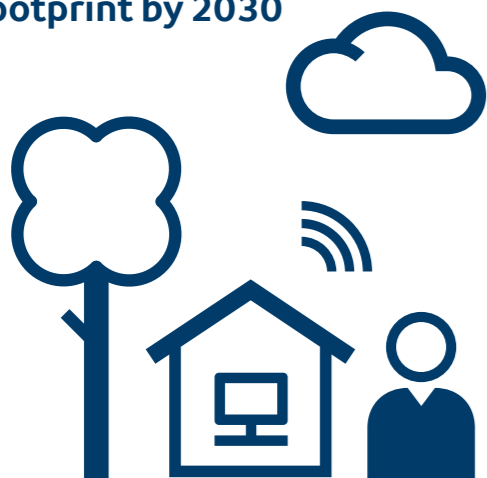
On the other hand, ICT and digitalisation hold great potential, as society can achieve a considerably higher degree of sustainability together with economic gains.

Consequently, at TDC Group, we constantly work to minimise our impact on the climate and environment. At the same time, we would like to inspire the world at large to use digital opportunities in a way that reduces environmental impact, saves valuable resources and creates benefits for society in the form of e.g. improved health, increased access to education and higher productivity.

We have drawn up a sustainability policy with four dimensions: focus in-house (minimise consumption of electricity, heating and fuel), focus on customers (eco- and energy-friendly products), focus on the supply chain (sustainability requirements throughout the value chain and product lifecycles) and focus on society (reduce energy consumption and climate impact through communication technologies).

Digital technologies can facilitate a

20% global reduction in the world's carbon footprint by 2030



Environmental impact

At TDC Group, environmental concerns are given high priority throughout our business, and have been for many years. We systematically monitor our energy and resource consumption based on the principles of the ISO 14001 environmental standard, and continuously seek to reduce our resource consumption and environmental impact.

Back in 2011, we set a target to reduce our CO₂ emissions by a total of 40% by 2020 compared with 2010. Although our business is not particularly CO₂ intensive in relation to other industries, CO₂ emissions are nonetheless one of our most significant environmental impacts. However, we achieved this target back in 2015. We therefore decided to raise our reduction target for CO₂ emissions from 40% to 60% in 2020 compared with 2010.

In 2017, our CO₂ emissions totalled 59,968 tons – equalling the total CO₂ emissions from around 4,100 Danish households. This result represents a decrease of 16% compared with 2016, and compared to 2010, we have now reduced our CO₂ emissions by as much as 60%. In the light of this, we have decided once again to raise our reduction target to 70% compared with 2010, equalling a reduction of just over 25% compared to our CO₂ emissions in 2017.

Our reduction in 2017 was especially driven by lower power consumption (-11%), which is described in further detail below, and lower consumption of diesel (-12%). Our result is also positively impacted by a lower emission factor for power used in Denmark compared to the year before. In fact, the significant improvement since 2010 in the emission factor for power used in Denmark has been among the biggest drivers of our reductions in CO₂ emissions. In other words, the power we use has on the whole become more climate-friendly since 2010.

We will continue to focus on streamlining and reducing our consumption of electricity for operating our various networks and data services. However, the challenge is to become more energy-efficient while expanding our networks and increasing connection speeds to benefit customers and society at large. Furthermore, towards 2020, improvements in the emission factor for power in Denmark are expected to be lower than those seen since 2010.

In addition to our focus on power consumption, at TDC Group we are also continuing our efforts to minimise resource consumption and ensure that a high percentage of our waste is recycled. For



example, in connection with the roll-out of gigabit broadband, TDC Group has partnered with the company DKT to collect and reuse equipment that must be replaced with new equipment based on DOCSIS 3.1 technology. More specifically, when we install new equipment, we make sure to collect used amplifiers, optical nodes, cables and packet filters. These are placed in containers at various locations in Denmark, and are subsequently collected for recycling and reuse. The remaining waste is scrapped in a safe and proper manner.

In Denmark, we also reduced our paper consumption by a total of 89 tons compared with 2016, equalling an annual reduction of 37%. Thus in 2017, we reduced our consumption of paper to under 2% of the quantity we used in 2003.

Energy efficiency improvements

In 2017, we continued to implement in-house projects to ensure optimisation and replacement of the most energy-intensive parts of our network and to continually satisfy the needs of our customers. As one of our most important initiatives in 2017, we have phased out almost 4,000 units with older ADSL equipment, which has resulted in annual energy savings of over 14 GWh. The remaining units on this platform are expected to be deactivated during the first quarter of 2018.

Regarding our PSTN network (traditional landline telephony) we have once again achieved significant energy savings by consolidating active subscriber lines on fewer network units. In 2017, we migrated about 21,000 lines and achieved an annual reduction of nearly 3,000 MWh. Furthermore, we amalgamated nine exchanges and other systems, thus generating annual energy savings of more than 1,200 MWh. At the same time, we have achieved annual savings of around 300 MWh by phasing out other forms of telecom equipment.

We have also worked on optimising our energy consumption for both heating and cooling. This involves e.g. using heat pumps to channel surplus heat from the equipment to heat buildings and making use of naturally existing cooling to reduce the need for further cooling of equipment. Finally, we have increased the efficiency of our rectifier systems (which convert electricity from AC to DC) by switching to newer models in order to achieve annual savings of around 400 MWh.

Externally, we take responsibility for minimising our customers' environmental impact in various ways, for example, by continuously upgrading the equipment at customer premises. In this context, 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



Pilot trial with bikes for our field technicians

cutting-edge with regard to both national and international requirements. In 2017, we have for example replaced more than 25,000 TV set top boxes with a new and more energy efficient model, which has generated annual energy savings of around 3.7 GWh for our customers.

Transport and technology

At TDC Group, we utilise the technologies we work with to reduce our own transportation needs, especially through video conferences and home offices. Besides reducing our CO2 emissions, these solutions optimise our efficiency and can improve conditions for employee by minimising the number of days spent travelling instead of being with family and friends. Our transport policy encourages the use of trains and other forms of public transport rather than cars. In the light of this, we yet again succeeded in reducing the number of kilometres travelled in cars. Within Denmark, our distances driven in private or rented cars have thus decreased by over 750,000 km – although we are not able to isolate the causes behind this.

In 2017, we commenced trials with solar cells to supplement the batteries in our many technicians' vans, since many tasks require the use of electrical equipment. Besides the environmental benefits from using solar power, we are also hoping to save recharging time and the need for assistance when vans fail to start if batteries become flat. As another initiative, we now also only use energy class B cars or higher, rather than class C or higher.

In 2017, we also set up a pilot trial with bikes for our field technicians. This is based on the fact that our technicians have experienced increasing difficulty in finding parking spaces and

driving around in Copenhagen. Consequently, as a pilot trial, bikes have been introduced at four of our locations to help make life easier for our technicians. A total of six bikes have been purchased, two of which are electric carrier bikes. Initially, the bike models will be tested and experiences gained, including where the bikes should be located. Know-how from the pilot trial will also be shared concerning use in other cities. The first feedback from the technicians is positive, and the bikes are used every day.

Huge environmental potential in digitalisation

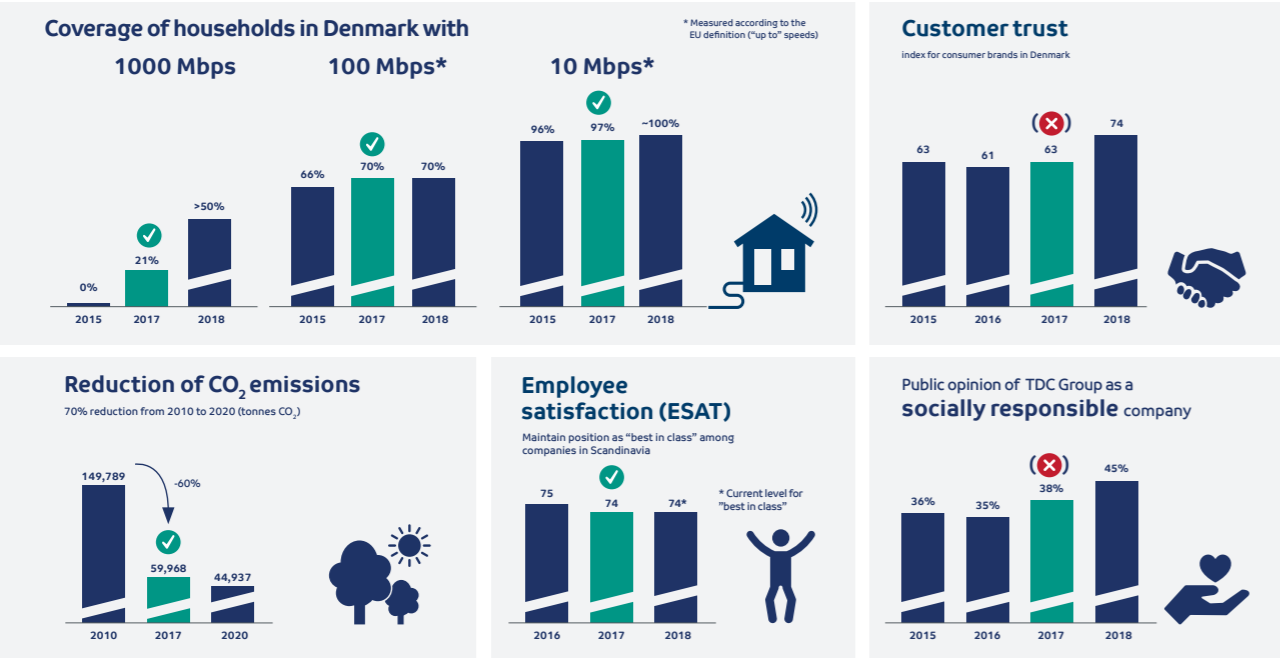
The information and communications technology (ICT) at the core of TDC Group's business represents huge potential for both the environment and climate. E.g. through increased use of video conferencing, which reduces the need for transportation, or through machine-to-machine (M2M) technology, i.e. telecommunication between machines, also known as the Internet of Things (IoT), which allows for monitoring processes in real time or measuring on machines that are difficult to access in order to increase production efficiency and reduce consumption of natural resources.

The SMARTer2030 report from the international organisation GeSI (Global e-Sustainability Initiative) – of which TDC Group is a member – shows that ICT and digitalisation can facilitate a 20% global reduction in the world's carbon footprint by 2030. This would mean the emission level from 2015 could be maintained while simultaneously creating economic gains to the tune of China's GDP. Additional improved societal benefits include better education, improved health and even more efficient and sustainable food production.

As described in detail under the focus area of Digital Denmark, TDC Group, together with a number of partners in the public and private sectors, is currently developing and implementing solutions that exploit technological opportunities to create more environment-friendly and sustainable solutions.



Results & objectives



Coverage of households in Denmark with 1000 / 100 / 10 Mbps broadband

On top of further enhancements to our award winning mobile network, in 2017 we focused specifically on an extensive upgrade of our cable network. In this way, we will be able to offer 50% of all Danish households speeds of up to 1,000 Mbps by the end of 2018. We have also enhanced our DSL network with new and upgraded network hubs.

Customer trust

In 2017, we chose to insource customer service and support from an external supplier to simplify our work processes and make being a customer with TDC Group easier. We have also worked on improving product stability and customer-centric processes. However, we must acknowledge that further improvements are needed.

Reduction of CO₂ emissions

In 2017, our CO₂ emissions totalled 59,968 tonnes – equalling the total CO₂ emissions from around 4,100 Danish households. This result represents a decrease of 16% compared with 2016, and compared to 2010, we have now reduced our CO₂ emissions by as much as 60%. In the light of this, we have decided once again to raise our reduction target to 70% compared with 2010, equalling a reduction of just over 25% compared to our CO₂ emissions in 2017.

Employee satisfaction

Our job satisfaction index score of 74 is considerably higher than the average for the Danish labour market in general, and among the best companies in Scandinavia. As always, we work systematically to identify and implement improvements so that in future we remain among the best regarding job satisfaction and commitment.

Public opinion of TDC Group as a socially responsible company

Seen over the course of 2017, the average share of the population in Denmark that viewed TDC Group as a socially responsible company increased. It is worth noting that the share of the population that viewed TDC Group positively in terms of social responsibility (38%) is significant larger than the share that viewed us negatively (23%), while 38% were uncertain. We will therefore be increasing our efforts to strengthen our CSR profile among the general public.

Environmental Accounts 2017

Emissions (tonnes)			
	2015	2016	2017
CO ₂	70,081	71,769	59,968
SO ₂	22	23	19
NO _x	63	56	53

Waste (tonnes)			
	2015	2016	2017
Total	3,529	4,334	3,704
Recycled of total waste	72%	76%	73%
Recycled of combustible waste	42%	40%	43%

Our emissions reductions in 2017 were especially driven by lower power consumption (-11%) and lower consumption of diesel (-12%). Our result is also positively impacted by a lower emission factor for power used in Denmark compared to the year before (-13%).

Waste totals are for TDC Group, while percentages for recycling are for waste from operations in Denmark only.

Use of resources			
	2015	2016	2017
Electricity (GWh)	292	257	228
Oil (GWh)	1	0.4	0.6
Natural gas (GWh)	3	2	2
District heating (GWh)	33	26	26
Fuel (GWh)	41	47	42
Paper (tons)	278	237	148
Water (m3)	66,000	66,000	70,300

Data transported (million GB)			
	2015	2016	2017
Denmark	5,952	8,971	11,340
Norway	79	325	434
Sweden	87	119	109
Finland	16	6	6
Total	6,134	9,654	12,200

Please note that data for paper and water consumption only cover operations in Denmark.

The amounts of data we move through our networks are increasing every year, especially driven by streaming of video content. Please note that the figures for Norway, Sweden and Finland only include data transported to and from these countries, i.e. not within these countries.

