June 2024

Sustainability Report 2023

Statutory Report on Social
Responsibility and Data Ethics, cf.
Section 99a, and 99d respectively of
the Danish Financial Statement Act.

Contents

Introduction

About this Report

This report contains a detailed review of Hi3G Denmark's (hereafter 3) Corporate Social Responsibility and Data Ethics. It forms part of the Management's review in 3's Annual Report. With this report, 3 (which includes OiSTER and Flexii) aims to continually reflect and improve the approach and respond to the sustainability interests of its stakeholders.

Reporting Period

This sustainability report covers the period 1st of January 2023 to 31st of December 2023 with the inclusion of several developments, since the reporting period, where these are considered significant.

Reporting Scope

This report covers activities of Hi3G Danmark ApS.

Reporting Frameworks

3 applies the same framework and calculation methods as our majority owners CK Hutchison. For more information on the calculation methods and emission factors applied, follow the LINK.

About 3

3 was launched in Denmark in 2003. As a new and smaller player in a mature market, we took on a role as a challenger driven by innovation. By breaking the conventions and constantly keeping customers in focus, 3 entered the position as the 3rd largest telecommunications company in the Danish market in 2022. We have built our own 3G-, 4G- and now 5G-network covering all of Denmark. 3's core business is mobile services and data connections, and it is based on our investment in building a mobile network, which we continue to expand and upgrade. We also offer our customers a range of additional services and hardware (telephones, routers, and accessories) and, subsequently, qualified support and advice to both private and business customers through our customer service. In recent years, 3Insights has been a growing business area that provides valuable tools for mapping and analyzing mobility data.

By looking at the population's anonymized travel and movement patterns, companies and society can get valuable insight into how infrastructure is optimized to benefit both citizens and society.

3 is headquartered in Copenhagen and runs sales to customers via www.3.dk, stores across Denmark and our customer service. Additionally, 3 owns and operates the telco brands OiSTER and Flexii, which also offer mobile services and data connections via www.oister.dk and www.flexii.dk.

3's Operations

Upstream | **Own Operations** | **Downstream**
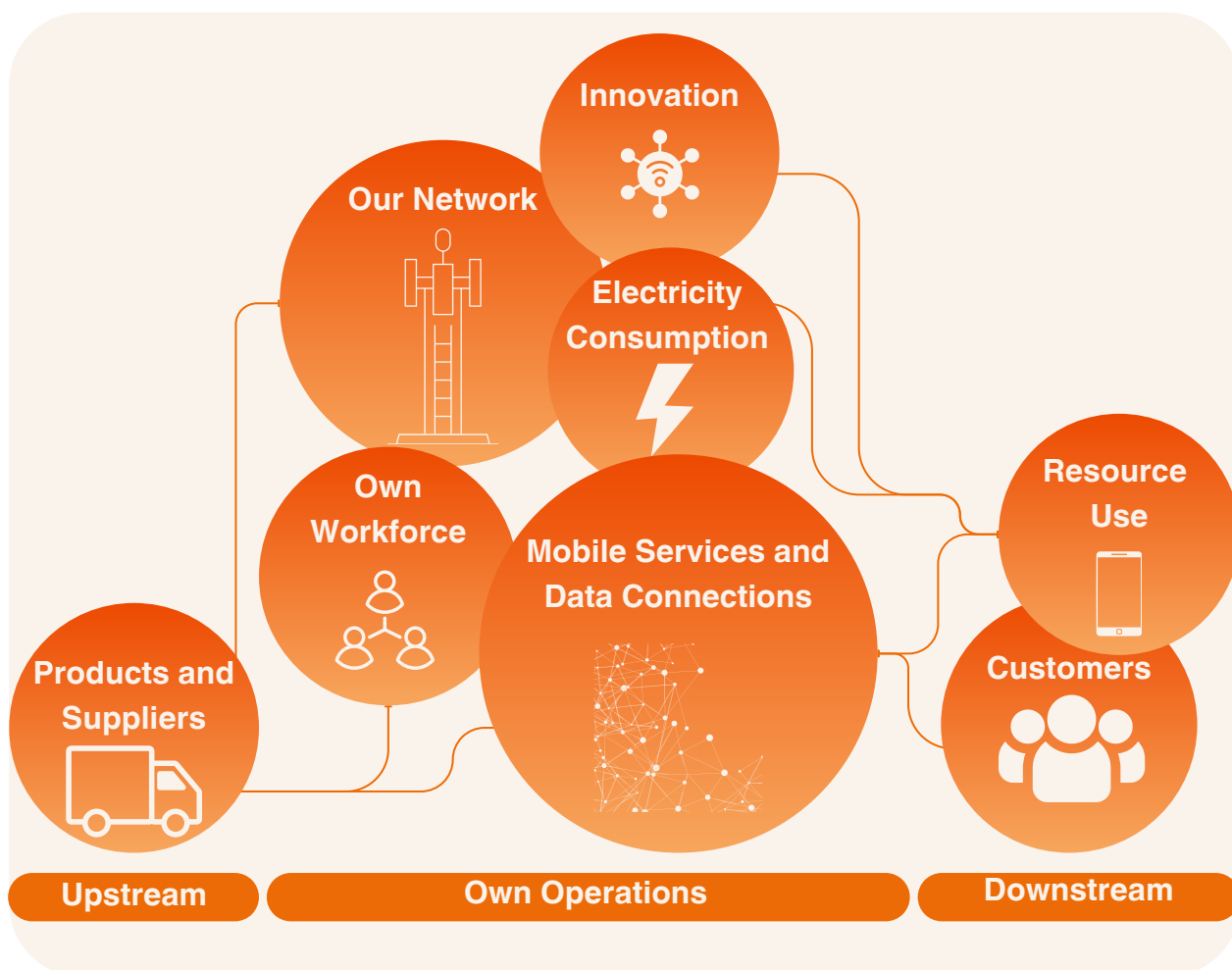
Products and Suppliers
All of our more than 850 suppliers, acknowledge the Supplier Code of Conduct to ensure responsible business management throughout the supply chain. Additionally, our product portfolio includes products that allow the consumer to make more responsible choices, e.g. accessories from A good company.

Our Network
In the coming years, we continue to build approx. 1000 new 4G and 5G sites and modernize our existing 2300 3G and 4G sites, which leads to a more energy efficient and stable network.

Own Workforce
Our employees are our greatest asset. They cover a variety of functions from store personnel to B2B and B2C sales, customer service, technical and network management staff, facility management and corporate functions. We invest in the development of skills of all employees regardless of job description andfunction, and we work towards creating an inclusive and diverse company culture. All employees are hired based on qualifications, regardless of gender, ethnicity, religion etc.

Mobile Services and Data Connections
Our core business includes mobile and broadband services to consumers and companies. As the sole mobile-only company, 3 provides critical infrastructure and plays a central role in the development of the digital society, where 5G-based solutions contributes to increased welfare and energy efficiency.

Innovation
In 3, we work with both IoT solutions and data insights, which contribute to developing innovative solutions that increase digitization to the benefit of companies and society.

Electricity Consumption

Our mobile network requires a large amount of electricity, which contributes to a big part of our CO_2e emissions. We have been addressing this by swapping to more energy-efficient equipment since 2021. Additionally, we entered a two-year partnership with The 0-Mission in 2022. Thereby, we secured Renewable Energy Certificated (RECs) covering our electricity consumption in 2022 and 2023.

Resource Use

We are actively working on reducing the amount of waste, especially Waste from Electrical and Electronic Equipment (WEEE). We address this both among our customers ('Byt til nyt') and internally through repair, resale of devices, and recycling of old and decommissioned network equipment.

Customers

Our customer base includes B2B and B2C. Therefore, a focal point of ours is to maintain a high data ethical standard. Protecting our customer data is of vital importance to ensure adequate safety of information, and repeatedly improve our data protection and information security standards.

3's Approach to Sustainability

Sustainability Governance

Reporting to the CEO, the Board of 3 is the highest-level executive decision-making body. 3's Board is ultimately responsible for approving key strategic projects and public reports. In 2023, a Sustainability Council was formed with members representing each division to oversee direction and to validate key strategies.

Stakeholder Engagement and Materiality

In 2023, we also started our first double materiality analysis (DMA) to identify the areas where we as a company have a material sustainability impact on our environment, and the sustainability-related risks and opportunities arising from our activities. The DMA has been carried out as part of the preparation for compliance with the Corporate Sustainability Reporting Directive (CSRD). The analysis is finalised in 2024 and will be presented in next year's Sustainability report.

UN Global Compact

Since 2022, 3 has been part of the UN Global Compact (UNGC) and the local network in Denmark. The Strategy of UNGC is to drive business awareness and action in support of achieving the SDGs by 2030. UNGC's mission is to mobilize a global movement of sustainable companies and stakeholders to create a better world. In 2023, 3 participated in local network events and courses, such as the UNGC Nordics meeting in November and the Climate Ambition Accelerator Program.

Strategy Setting

As a growing telecommunications company, we are continuously working to further develop our operations in a considerate manner and integrate responsible choices in customer offerings. We play an active role in building a digitally enabled society while supporting the creation of long-term value for our stakeholders. Based on the results of the DMA, we will set our strategic ambitions with key focus areas.

As a subsidiary of CK Hutch Group Telecom, we follow their sustainability strategy, with the following goals: Operating responsibly and with integrity, Creating a thriving digital economy, Promoting circular economy, Creating great places to work, and Taking action on climate change.

Message from the CEO

It is undeniable that digital technologies are impacting us all more than they ever have, and that they will continue to do so. From digital interactions between citizens and government to digitization of the private sector and to leisure use of digital products, it is evident that life is becoming increasingly digital.

Digital technologies can be used to solve problems in numerous and versatile ways, making the world a better place. However, there are also certain challenges that should not be neglected.

One concern we started to address in 3 last year is mobile phone dependency. It is becoming evident that many people spend too much time on their screens. In a survey that 3 has recently conducted on the matter, approximately 80 % of 18 – 29-year-old people said they worried about their phone usage. Of those aged 18 - 39, more than half said they spent too much time on their phones. According to Statistics Denmark, Denmark has the highest usage of social media in Europe. The average Dane spends around two months every year on screen time.

Being a telecommunication operator, we believe that our industry holds part of the responsibility to address the issue together with political institutions and tech-firms. Yes, we are purveyors of mobile phones and selling those constitutes a large part of our business. However, we are aware that it must be done responsibly. Therefore, we have started speaking publicly about what we can do to solve this issue in the past year. The challenge with this subject is that regulation on its own will not be enough to solve the situation. We live in a world where digital technology is ubiquitous, and as such especially the younger generations need to understand how to use mobile phones as the fantastically useful tools they are, rather than just as a source of endless entertainment. In other words: it is not an either-or-question.

We recognize that we have a role to play in finding common ground on this issue, and it is a mantle we are eager to take on. We believe that digital technologies are a source of good enabling 3 to play a part in future development. With our continued membership at the UN Global Compact, we can learn from our peers and exchange experiences.

Morten Christiansen, Regional CEO Austria, Denmark and Sweden

Taking Action on Climate Change

Thursday, 13 June

13:23

11 SUSTAINABLE CITIES AND COMMUNITIES

13 CLIMATE ACTION
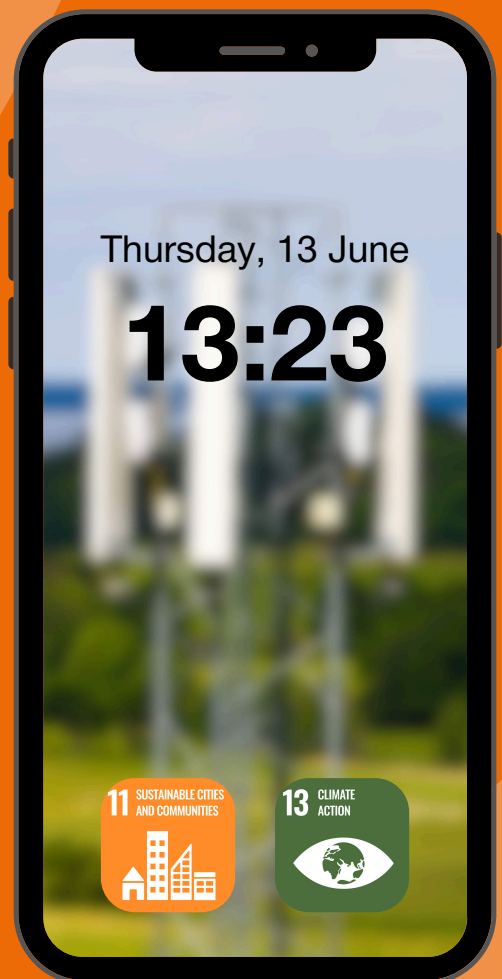
Climate Governance and Reporting

At 3, we are continuously assessing areas for improvement to increase automation and ensure higher quality data in relation to sustainability requirements. We are committed to ensuring the accuracy of our sustainability progress by establishing a clear process for identifying and collecting accurate data, as well as the assumptions, estimates and methodologies used in reporting. This will continue to be a focus of our work. Greenhouse gas (GHG) data for 2023 was calculated in accordance with the CKHGT GHG Reporting Criteria 2022. Increasing demands for sustainability reporting, such as the Corporate Sustainability Reporting Directive (CSRD) and EU Taxonomy, affect 3's processes and organization. These include a formal reporting framework meeting current and future national and international requirements. During 2023, 3 started a comprehensive Double Materiality Analysis (DMA) in accordance with the CSRD, involving engagement with different stakeholder groups through interviews and surveys. By informing the future development of the sustainability strategy, the DMA will help to prioritise relevant sustainability matters, get a solid understanding of 3's sustainability impacts and serve as a foundation for reporting and disclosure purposes. Areas of materiality will be addressed in a more structured manner, and the results of the DMA in accordance with the European Sustainability Reporting Standards (ESRS) will lead to a review of our current targets and KPIs to reflect the material areas of focus.

SBTi

As a subsidiary of CKHGT, 3 has committed to their near-term science-based targets, which were approved by the Science Based Targets initiative (SBTi) in 2022 and are consistent with a path to 1.5 degrees Celsius. CKHGT commits to reduce absolute Scope 1 and 2 GHG-emissions by 50% by 2030 from a 2020 base year. CKHGT also commits to reduce absolute Scope 3 emissions 42% within the same timeframe. The SBTi drives ambitious climate action in the private sector by enabling organizations to set science based emissions reduction targets.

CDP

As a subsidiary of CKHGT, 3 participates in reporting to the Carbon Disclosure Project (CDP) and gets the opportunity to track and benchmark our environmental performance, build trust through transparency and respond to rising environmental concerns among our suppliers, customers, partners and, not least, the public.

Efforts in 2023

Start of the DMA in accordance with requirements of CSRD.

Continued improvement of workflows, processes and governance documents to equip 3 to meet complex external requirements as well as internal objectives.

Establishment of a Sustainability Council.

Expectations for 2024

Develop a sustainability strategy.

Enhance the procedure document with details on the process for identifying and collecting the correct data.

Set short-term and long-term targets.

Further improve data governance and data quality.

Enhance reporting instructions, manuals and guidelines.

Implement internal controls.

GHG-Footprint and Emission Performance

In 2020, the information and telecommunications (ICT) sector accounted for around 4% of global electricity consumption and approximately 1.4% of global CO2e emissions*. This includes fixed and mobile networks, data centers, the manufacture and use of devices. This footprint is set to grow, as the amount of digitally enabled businesses and consumers continues to increase while data usage is expected to rises. Political involvement (e.g. the Paris Agreement) puts positive pressure on companies that must comply with continually increasing demands. It also entails risk and uncertainty for long-term planning and compliance. Furthermore, increased energy prices pose a financial risk, while increasing energy consumption presents an operational risk. In this context, it is imperative that 3 implements a GHG-reduction strategy, to meet the needs of customers in a sustainable and environmentally responsible way, now and in the future. Therefore, we started to calculate our GHG-emissions in 2018, following the GHG-protocol.

Climate Targets

Reduce absolute Scope 1 and 2 emissions by 50% by 2030 from a 2020 base year.

Reduce absolute Scope 3 emissions 42% within the same timeframe.

Policies

Environmental policy.

Efforts in 2023

Continued partnership with startup The 0-Mission, for the procurement of Renewable Energy Certificates (RECs).

Continued modernization of our network.

Continued deployment of EcoSim**.

Launch of loan router concept, aiming to keep devices in the cycle for longer.

Expectations for 2024

Offering refurbished devices for sale.

Completing Swap to 5G.

Emission Performance in Numbers

The foundation of pursuing this successfully is the mapping of our own emissions. Measuring our CO2e emissions helps us to identify areas, where we can reduce emissions and improve. The initial CO2e reductions towards 2025 will entail optimizing energy efficiency, general energy savings and procurement of energy produced from renewable sources. Further, we will involve suppliers, customers and other partners to implement reduction initiatives related to our Scope 3 reduction target.
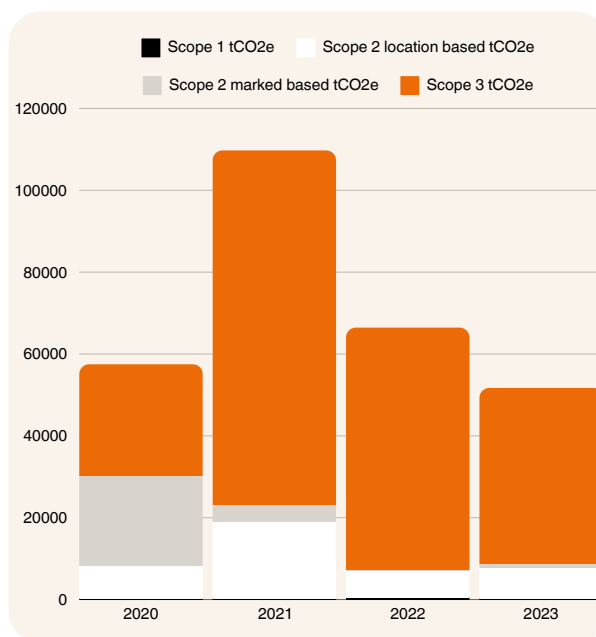

CKHGT has engaged KPMG LLP to carry out a limited assurance review of the Group's emissions in scope 1, 2 and 3, which also includes 3 Denmark. As the review of the Group's emissions in 2023 has not been completed at the time of publication of 3 Denmark's sustainability report, the reported outcome for the year in the table presented may be adjusted in the event of any deviations.

* Malmodin, J., Lövehagen, N., Bergmark, P., & Lundén, D. (2024). ICT sector electricity consumption and greenhouse gas emissions – 2020 outcome. Telecommunications Policy, 102701. https://doi.org/10.1016/j.telpol.2023.102701
** World's first SIM card made of recyled plastic.

Creating Great Places to Work
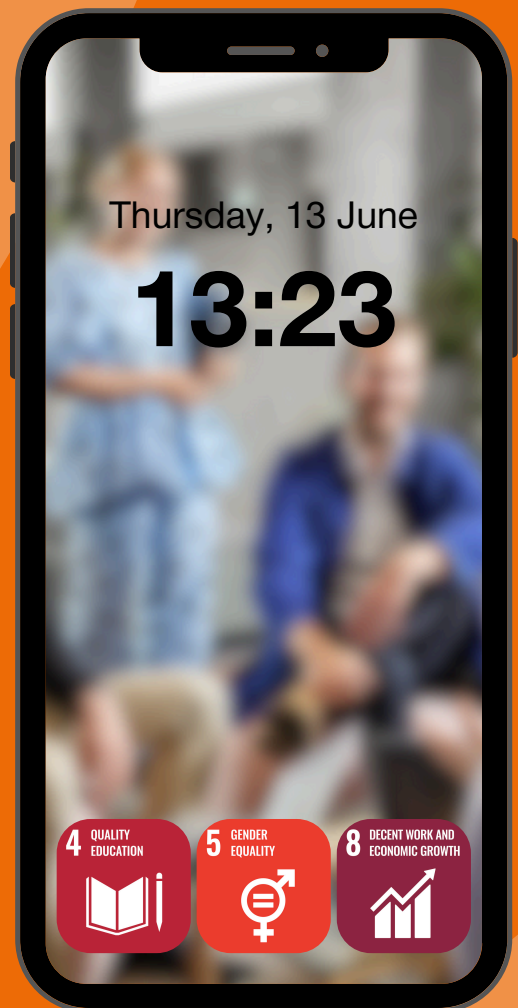
Inclusion and Diversity

At 3, we aim to be a diverse and inclusive company with room for everyone and with a high degree of diversity, also to stay a competitive employer on the job marked. As the attraction and retention of talent and future talent is on of the social risks 3 is aware of, this is a focus area of ours. Our Human Rights policy similarly addresses, among other things, the risk of mismanaged employee well being and is formulated on the basis of internationally recognized human rights principles, including those contained in the Universal Declaration of Human Rights, the International Bill of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. The policy also embraces the UN Guiding Principles on Business and Human Rights. To make sure all employees live up to the policy, we are developing clear guidelines and foster a culture of accountability and continuous improvement. Furthermore, leadership commitment and transparent enforcement of disciplinary measures are crucial to maintain this standards. Due to our efforts, we had no incidents regarding human rights in the financial year 2023. Going forward, we will work on implementing general trainings and more

To ensure equal access to vacancies for everyone, 3 has a special focus on systemic barriers, the support of individual development and on fostering an inclusive organizational culture. For example, job advertisements are adapted to motivate a diverse applicant pool. The content of the job advertisements is very descriptive in this respect and sheds light on the working day, the environment and 3's values. We are ensuring a diverse hiring panel and set clear, transparent criteria for promotions. The telecommunications industry is generally characterized by a large turnover of employees. Therefore, we are particularly aware of potential dissatisfaction and of maintaining the open, innovative and safe culture that we have spent many years building. We continuously seek to have a diverse group of employees. Our gender equality goal is reflected in the gender composition of society.

Gender Composition Targets

Both genders are represented by at least 40 % on the Board of Directors by 2025.

Both genders are represented by at least 40 % in the Senior Management Team by 2025.

Both genders are represented by at least 40 % in other management levels by 2025.

Policies

Whistleblower policy.

GDPR policy for employees.

Gender balance and diversity policy.

Our Human Rights policy ensures clear guidelines and includes consequences - like employment sanctions - in connection with breaches.

Employee handbook sets guidelines for e.g. working environment, employee benefits and maternity leave.

Employee Code of Conduct.

Efforts in 2023

Development and implementation of a mentoring program.

Achievement of min. 40 % female representation in Senior Management

Parental leave that supports both men and women.

Expectations for 2024

Project for making our retail stores more attractive for both genders.

Continuously address the systemic barriers with a multi-faced approach.

Gender Distribution and Diversity Performance

Female in %   Male in %

Board of Directors	Senior Management	Other management levels
0 / 100	43 / 57	17 / 83
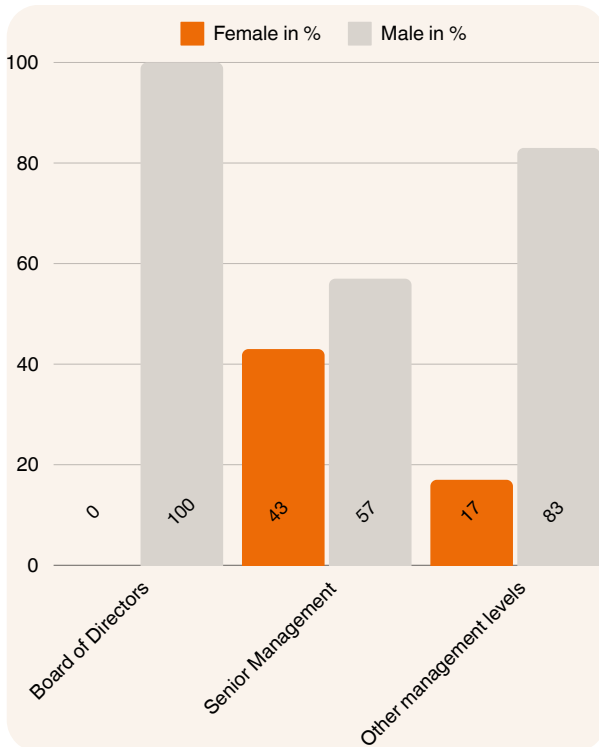
At the end of the financial year 2023, we reached our gender distribution goal of min. 40% women within Senior Management, but not in the other areas. The goal was thus only reached in Senior Management, wherefore we will continue our work in this area consciously.

Employee Learning and Development

3Academy

At 3, employees are our most valuable asset. We invest in our employees by offering educational programs to all employees to enhance their professional skills. Our Academy Profession program, 3Academy, offers ECTS-accredited specialized training courses, continued education and management training.

The program is offered to all employees at 3 but is especially popular among Customer Service, Shop and Sales employees, as it helps to obtain an Academy Profession degree of up to 60 ECTS-credits, while building work experience relevant to the degree. In 2023, we had 125 participants, and the most popular subjects were Practical Leadership and Management, Project Management, Coaching in Organizations, Presentation Techniques, and Commerce and Marketing. Following we will present three examples of 3Academy participants.

Meet

Silvija Jevtic Social Media Manager

Silvija Jevtic has been a part of the 3 family for more than seven years. She began her career as a Customer Advisor and has since become Social Media Manager. Recently, Silvija completed a five-year higher education program through 3Academy, earning a Diploma in Business Studies. This achievement has enabled her to develop new competencies while working full-time. Silvija was granted the opportunity to pursue a longer education than is typical for a 3Academy student, as she sought to further her development and acquire deeper theoretical knowledge for practical application in her daily work.

All my exams were grounded in my job, making it easy to apply some of what I've learned to solve tasks at work.

Meet

**Stefan Ring Støhrmann
Head of Radio Network Operations**

Stefan Ring Støhrmann serves as the Head of Radio Network Operations and has been a part of the 3 family for almost 18 years, rolling out both 3G, 4G and 5G-networks. One of the aspects Stefan values most about working at 3 is the constant movement within the company. His responsibilities have significantly evolved over the years, ensuring that his job remains engaging and far from monotonous.

> **The telecom industry is constantly evolving, which keeps my work at 3 exciting, even after such a long time.**

Meet

**Mette Mathiesen
Business Controller**

Mette Mathiesen holds a Master's degree in Finance & International Business and currently works as a Business Controller in the finance department at 3. When she sought employment at 3 two years ago, the role itself initially caught her interest. During her interviews, however, she quickly discovered that 3 is characterized by its youthful and dynamic environment, along with a workforce that possesses a remarkable sense of humor. For Mette, a sociable and humorous workplace culture is essential, which made her immediately certain, that this position would be an ideal fit for her.

> **Teamwork is essential for success in my role, and I believe this holds true for nearly everyone at 3.**

Operating Responsibly and with Integrity

Thursday, 13 June

13:23

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Responsible Procurement

With more than 850 local and international suppliers, we must ensure they meet appropriate maturity levels in line with what we consider acceptable. Therefore, we work purposefully with supplier management, which includes screening of suppliers and requirements imposed. Further, we focus on the ongoing implementation and revision of policies and procedures as well as awareness efforts among high-risk functions. Being a member of the UN Global Compact means that we hold international corporate anti-corruption and anti-bribery UN standards in observance and that we always work within our definitions of good governance.

Policies

The Supplier Code of Conduct entails several minimum requirements based on national legislation and international standards, such as the 10 UNGC principles.

Whistleblower policy governing a speak up channel for both employees and external partners.

Efforts in 2023

Update of Supplier Code of Conduct entails several minimum requirements based on national legislation and international standards, such as the 10 UNGC principles.

Expectations for 2024

Continually improve documentation of current efforts by implementing more stringent and risk-based supplier management.

Active involvement in sector-specific collaborations, where we coordinate across the telecoms industry.

In addition to improving system support, we are ensuring that due diligence, risk assessment and categorization of our suppliers is structured and efficient.

Anti-Corruption and -Bribery

We define corruption as the misuse of one's position or power for one's own or others' gain, which includes bribery, extortion, embezzlement, and fraud. Corruption also includes employee behavior that is unjustifiably intended solely to give 3 a gain. Due to our efforts in the Anti-Corruption and -bribery work, there were no incidents in the financial year 2023.

Policies

Our Anti-Corruption and -bribery policy ensures clear guidelines and includes consequences - like employment sanctions - in connection with breaches. It also refers to 3's whistle-blower scheme and control bodies.

Efforts in 2023

Continued compliance with our Anti-Corruption and -Bribery policies.

Expectations for 2024

Initiatives to strengthen awareness, like ongoing implementation/ revision of necessary policies and procedures as well as training efforts among high-risk functions (e.g. Sales and Procurement).

Data Ethics

This section describes our Data Ethics Policy, cf. section 99d of the Danish Financial Statements. Our Data Ethics policy covers the due considerations that must be weighed as we increasingly work more efficiently, develop smarter products and make use of new technologies when processing data. In 3, we interpret data ethics as considerations and standards that go beyond applicable data privacy and data protection regulation. Therefore, we make sure that our Data Ethics Policy is known by all our employees.

Policies

The Data Ethics Policy sets out principles for data ethical considerations, including ensuring that data processing is transparent, and that we ensure that consequences and risks are weighed and documented, for example in relation to the use of special types of data and new technologies.

Efforts in 2023

Initiation of a strengthened and integrated compliance program, including better technology support, to manage and document governance, data processing activities and compliance.

Expectations for 2024

Improved governance across processes and documentation are being refined. The work will continue in 2024.

Continued work on awareness-raising initiatives as part of a desire for a stronger anchoring of data ethical considerations in the business divisions.

Continued focus on utilizing the full capabilities in the compliance systems to support our compliance program initiatives and policy implementation.

Privacy, Cyber- and Information Security

3 provides critical digital infrastructure and is responsible for large amounts of personal data and other business-critical information. We are increasingly facing new and more restrictive legislation to protect our critical infrastructure and increase the security of services, which we welcome.

Policies

Information security policies according to governance standards and rules.

Efforts in 2023

Improvements of compliance program, resulting in a more structured approach for further development and strengthening of general governance and risk management – based on the ISO/IEC 27000 standard.

Continuous development of system utilization and support to strengthen documentation of our efforts, especially with a view to future upgraded cyber regulation evolving from EU's new sector specific cyber directive (NIS2).

Contributing to a national public warning system.

Expectations for 2024

Launch of further initiatives to proactively ensure compliance EU's NIS2 directive.

Active top managerial involvement to ensure an even stronger focus on cyber security.

Improved technology support to strengthen and integrate compliance programme.

More effective risk management to mitigate risks.

Creating a Thriving Digital Economy

Thursday, 13 June

13:23

Innovation

At 3, we constantly strive to innovate technology and thereby provide better products and services to our customers. As one of only four operators in Denmark, 3 is committed to contributing to innovation within and alongside the Danish telecoms sector. In 2023, we have sought to do this primarily through 3Insights' involvement with the Urban Insights Data Lab, which 3Insights joined in January 2023. This project aims at providing better urban planning solutions by taking a data driven approach to cityscape design. Using sophisticated models for analysis of anonymized mobility data, crowd movement patterns in an area can be used to provide input for better city planning, such as providing insights on traffic flows, tourism loads in urban centres, at events and more. This data can be used to improve life for citizens, businesses and the climate when including them in plans for urban development and city planning. The project has two overarching goals: The first is to create a data collaboration where stakeholders involved in urban planning can search for and find relevant data sources from both the private and public sector alike. The second goal aims at creating a data model compiled from multiple sources of data that can be used by both Danish and international municipalities and regions in their work with improved city planning. 3Insights is delivering data for six different cases related to this project and collaborates with major actors in the Danish private sector, the public sector, within tertiary education and the tourism industry. 3insights does so in order to contribute to knowledge sharing and innovation within the field of creating healthy, livable and climate friendly cities and urban environments. An example of how one such collaboration takes place is with our higher education partner, The IT University of Copenhagen. Here, data from 3Insights is shared with students for educational purposes. By sharing live environment data with them, the students get to work with and showcase how they can apply different digital data tools and solutions to improve urban planning works. The project continues in 2024 and the results will be ready in ultimo 2024 and presented at several national and international events. The project has two follower groups: the first is a national group consisting of organizations such as the Danish Business Authority, Bloxhub and Danish local government; the second is an international group including the Nordic Smart City Network, C40, Smart Dublin and New York City Economic Development Corporation.

Efforts in 2023

Contribution to Urban Insights Data lab.

Delivering mobility data to the tourism sector which enables them to do better planning and decision-making on the overall tourism experience when visiting Denmark.

Connecting rural areas, e.g. by extending 5 G to a remote island.

Use of anonymized user data for large public events which can help public transport and emergency planning.

Expectations for 2024

DNS filtering.

Security applications.

Cyber insurances as value adds in our product portfolio.