



Sustainability Report

2022



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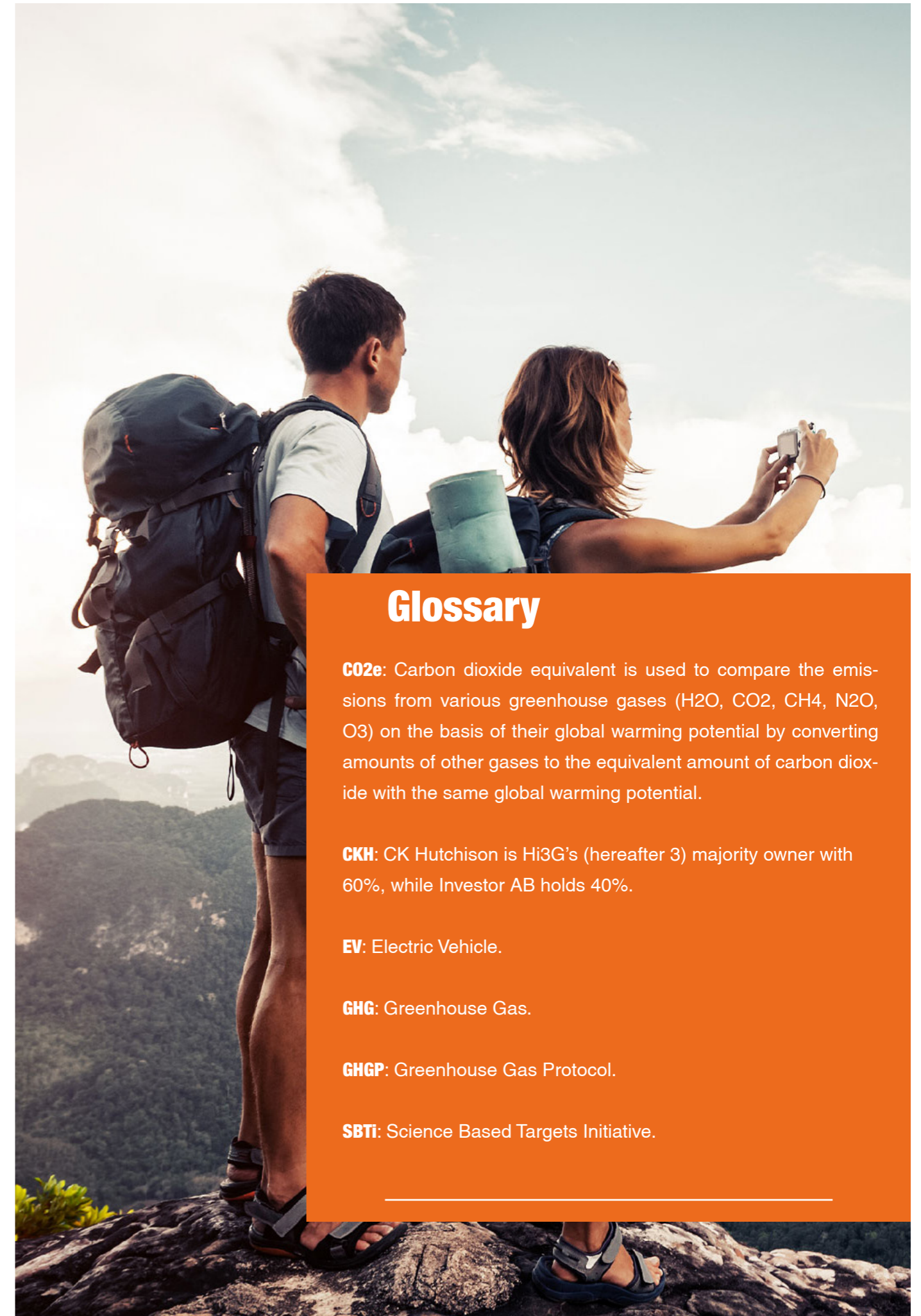
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This report contains a detailed review of Hi3G DK's Corporate Social Responsibility and Data Ethics.

It forms part of the Management's Review in 3's Annual Report and covers the accounting period from 1st of January 2022 to 31st of December 2022.



Glossary

CO₂e: Carbon dioxide equivalent is used to compare the emissions from various greenhouse gases (H₂O, CO₂, CH₄, N₂O, O₃) on the basis of their global warming potential by converting amounts of other gases to the equivalent amount of carbon dioxide with the same global warming potential.

CKH: CK Hutchison is Hi3G's (hereafter 3) majority owner with 60%, while Investor AB holds 40%.

EV: Electric Vehicle.

GHG: Greenhouse Gas.

GHGP: Greenhouse Gas Protocol.

SBTi: Science Based Targets Initiative.

Message from our CEO

Looking back at 2022, our work with sustainability bears fruit. Sustainability has high importance for 3, especially in times where it seems one global crisis relieves the next without pause. We acknowledge that becoming more sustainable year by year is our license to operate in both a telco market and a society, where future generations can thrive.

The road towards our sustainability goals is still long and requires us to keep these in focus in everything we do. We take active steps of improvement, and one of those was becoming a member of the UN Global Compact, which we achieved in March 2022.

POWER FROM RENEWABLE ENERGY SOURCES

Being a telco operator, the single largest factor contributing to our power consumption is the electricity required for our nationwide telecommunications network.

While working on lowering our electricity consumption, we found a way of making sure that we add as much renewable power to the grid as we consume.

Hence, we partnered with The 0-Mission, which offers subscriptions to companies using privately funded renewable energy. This has led to a reduction of our Scope 1 and 2 emissions by more than 95%.

Positive change doesn't happen in frog leaps or overnight. It is the sum of the many small improvements over time that we make each day.



OUR CONTRIBUTION TO A CIRCULAR ECONOMY

Every day, handsets, tablets, smartwatches and other devices are being sold online and in 3-stores across the country. That makes recycling of old hardware or individual components key if we want to contribute to a more circular consumer electronics industry.

In order to make a positive contribution to a circular economy, we have a special focus on recycling consumer electronics and reducing waste from these products. In 2020, we launched our 'Trade for New' ('Byt til nyt') concept, which allows our customers to trade in old smartphones, smartwatches or tablets, and in return get a discount on the subscription fee. In 2022, emissions equivalent to 194 t CO2e were avoided - an improvement from the previous year.

INCREASING INTEREST IN OUR TRAINING PROGRAM

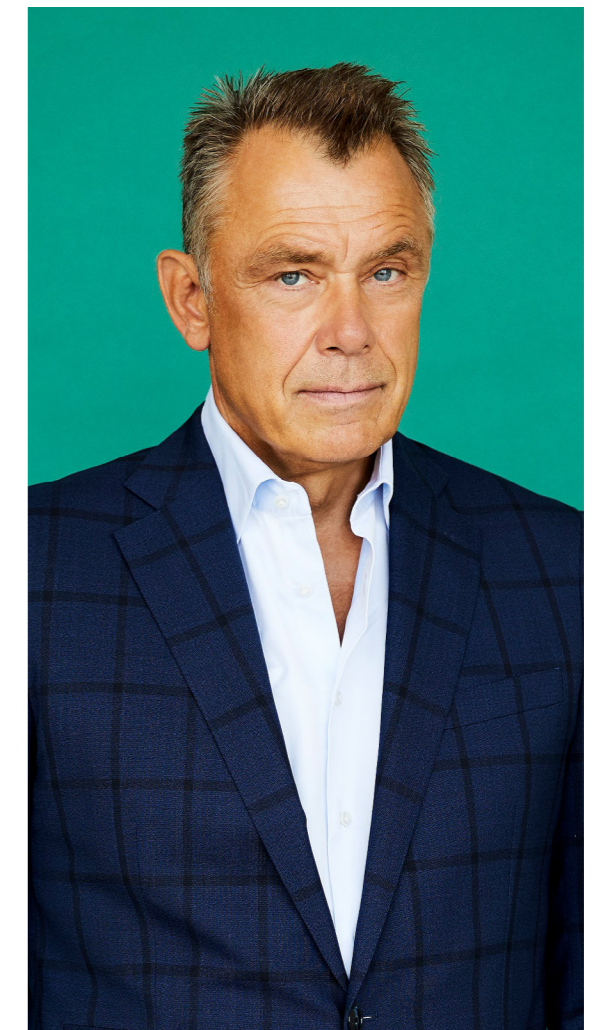
3 is a dynamic and diverse workplace with room for both dreams and ambitions. And it is our ambition to educate our employees to become more skilled in the areas they are passionate about.

In 2022, the number of participants in our internal Academy Profession program, increased by 5.5%. In 2023, education and competencies will remain a focus for our employee-oriented efforts, just as we continue to work on achieving a more equal gender distribution in the company.

Here, we have also seen progress in the past year. In the beginning of 2020, 40% of our colleagues in Customer Service were female. In 2021, that number grew to 47%, and by the end of 2022 we achieved 52% female colleagues in this department for the first time in company history.

Yet, we will continue our work on diversity in 3, because a diverse working environment is also a better one for employees and the company.

Our goal for 2023 remains the same as for 2022: To leave 3 in a more sustainable place than the year before.



Morten Christiansen
Regional CEO for 3 in Denmark, Sweden and Austria

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 and new thinking.

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, which will be completed in 2023. 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 consumers and business customers through our Customer Service.

In recent years, 3Insights has been a growing new 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.



OUR BUSINESS MODEL

ELECTRICITY PRODUCTION FROM SUPPLIER

Operation of our mobile networks requires a large amount of electricity, which contributes to the majority of our CO2e emissions.

In 2021, we started to swap to more energy efficient equipment followed by partnering up with The 0-Mission in 2022, where we add green energy to the grid corresponding to our power consumption.

WASTE MANAGEMENT

We are actively working on reducing the amount of especially electronic waste, both among our customers ('Trade for New') 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.

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.

PRODUCTS AND SUPPLIERS

We have more than 700 suppliers, and all of them acknowledge 3's Supplier Code of Conduct to ensure responsible business management throughout the supply chain. Additionally, we sell products that allow the consumer to make more socially responsible choices, including the smartphone Fairphone.

HQ AND SHOPS

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 further development and skills of all employees regardless of job description and function and work towards creating an inclusive and diverse company culture. All employees are hired based on qualifications, regardless of gender, ethnicity, religion etc.

SERVICES AND SOLUTIONS

A digital Denmark is a greener Denmark. In 3, we work with both IoT solutions and data insights, which contribute to developing innovative solutions that increase digitalization to the benefit of citizens, companies and society.

4G AND 5G NETWORKS

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.

Sustainability

in 3

As a growing telecommunications company, 3 takes a rigorous sustainability approach. We play an active role in building a digitally enabled society while supporting the creation of sustainable long-term value for our stakeholders. The strategic ambitions lead to the following five key focus areas:

By including specific actions and initiatives to deliver these outcomes, we also support the Sustainable Development Goals (SDGs) below:

1. Creating a thriving digital economy

Create and build a thriving digital economy, which benefits everyone.



2. Acting on climate change

Understand and manage our climate impact, risks and opportunities.



3. Promoting a circular economy

Promote sustainable use of resources across our products and networks.



4. Creating great places to work

Create workplaces which attract and retain diverse talent.



5. Operating responsibly, and with integrity

Implement effective ESG governance, management arrangements and disclosures.

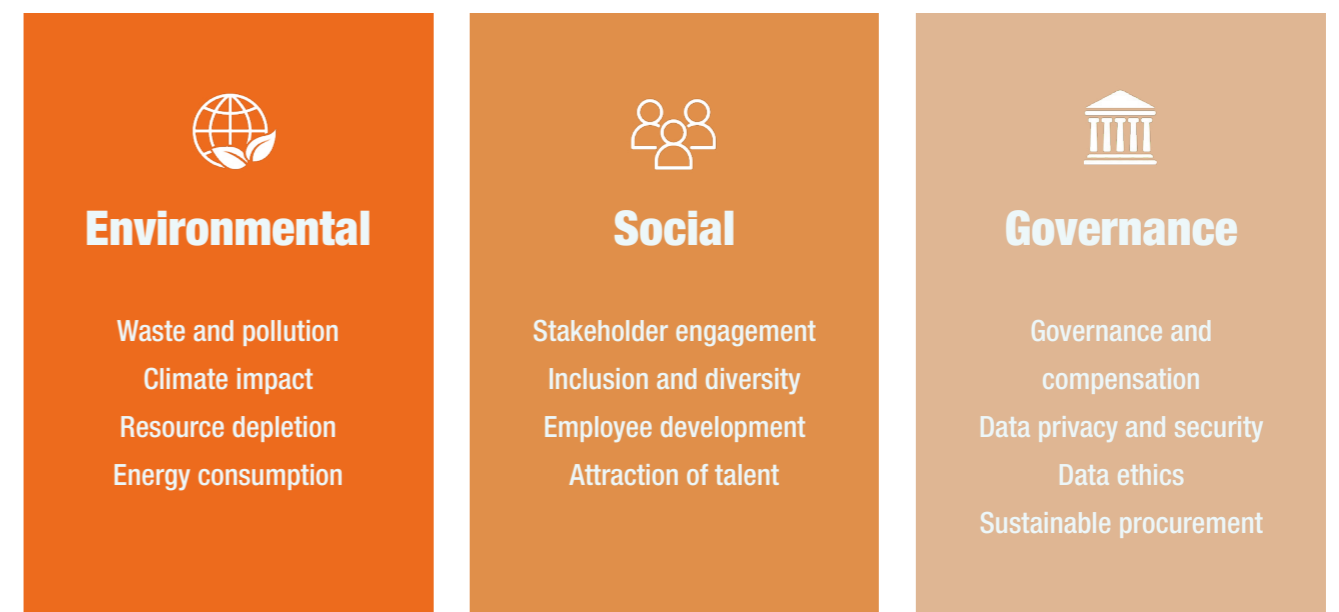


We see a trend of increasing requirements to comply with, not only enforced by our active owners, but also through regulatory developments. At EU level, the new European Sustainability Reporting Standards (ESRS) will replace the Non Financial Reporting Directive (NFRD).

Part of the ESRS will be the Corporate Sustainability Reporting Directive (CSRD) and EU Taxonomy, which are hard laws replacing previous voluntary standards and norms.

One of the requirements for the ESRS is to complete a Double Materiality Assessment (DMA), including both the value for social and environmental impacts from the business as well as on the business. In 2022, we have started to prepare for the new regulations, and we continuously work on keeping up to new requirements.

At 3, we believe in a structured approach to this. Thus, one of the frameworks we structure our works around is the ESG. We regard it as a framework that covers the following:





Highlights 2022

February

- 3 reaches 1.5 million customers making 3 the third largest telco operator in Denmark.
- 3 Introduces Eco-Sim, a sim card-made from recycled plastic recovered from used refrigerators.

March

- 3 becomes a member of the United Nations Global Compact.

October

- 3 launches 'Internet for the home 5G'. The wireless internet solution is an easy and fast alternative to fibre networks.

November

- 3 opens a new, more energy efficient HQ in Copenhagen's Carlsberg Byen.

December

- 3 partners with 'The 0-Mission' on contributing green energy to the power grid equivalent to the power we consume.
- 3 achieves equality between female and male employees in Customer Service, one of our biggest departments at the HQ.

ENVIRONMENTAL IMPACT



Message from 3

In 2022, we worked on our climate targets by implementing two new policies: one concerning overall commitments, objectives and responsibilities, and one that is intended to create an incentive for relevant employees to opt for an EV.

The 0-Mission

3 consumes a significant amount of power. In December 2022, we partnered with the Danish startup called The 0-Mission, which offers subscriptions to companies using privately funded renewable energy.

First and foremost, I am proud of the partnership with The 0-Mission. It is a clear reflection of our approach to all aspects of our business. 3 strives for improvement, whether it develops new advantageous subscription models, coverage of 3's telecommunications network or, as in this instance, in finding a way for the company to offset its CO2e emissions from power consumption.

Jesper Wieslander, 3's Head of Risk Management



Through our partnership with The 0-Mission, we aim to advance our green transition further, demonstrating that immediate action is possible.

3 facts about 3's partnership with The 0-Mission:

1. The electricity produced through our subscription comes from a non-government subsidized solar park in Vandel near Vejle, Denmark.
2. By joining an existing solar park, 3 supports the transition to more green energy in the Danish grid.
3. According to UNECE, in Europe the emission price of 1 kWh of electricity from solar power is, on average, 37g of carbon dioxide equivalent (CO2e) if the production, transport and installation of solar panels are considered from a life cycle perspective as part of the value chain. In comparison, other production methods can cost hundreds of grams of CO2e per kWh.

Read more here:

[The 0-Mission](#)



Circularity

in 3

Energy Cool

Energy Cool is the leading manufacturer of reliable and energy-efficient cooling systems and customised total solutions for technical sites in the telecommunications, fibre, broadcast, data centre and energy industries. The unique product range is manufactured primarily from recyclable and recycled materials, and is specially developed with a focus on increased reliability and significant minimization of energy consumption.



Energy Cool and 3 started a project back in 2020 based on a need for an energy-optimised, fireproof and sustainable solution for the installation and rollout of 5G networks.

Outdoor Flex E started as a prototype and evolved into a mass-produced solution for the benefit of all parties and society. The enclosure, as shown on the picture, has been installed all over the country, from backyards in major cities to natural areas.

Benefits of the solution include:

- Silent and insulated solution.
- Easy on-site installation.
- Minimal maintenance.
- 30-40% less total power consumption.
- Fire resistant and recyclable materials.

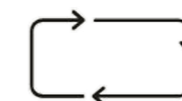
Trade for New - 'Byt til nyt'

At 3, we are committed to reducing the electronic waste that we generate. In 2020, we developed our 'Trade for New' recycling concept, where customers can exchange as many old smartphones, smartwatches and tablets, as they want and receive a discount on new devices and subscriptions.

In 2022, 3,359 devices were handed in; this was a 23% increase compared to the launch year. Of these, 93% were reused and 7% were recycled. This means that most of the returned devices were given a new life.



Out of the 3,359 returned devices, 39% were physically repaired, 54% were data repaired, and 7% had parts that were recycled.



Climate Action

The IT and telecommunications sector accounts for around 4% of global electricity consumption and approximately 1.4% of global CO2 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 and as data usage 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.

In the Annex, we have included the GHG-model, based on the GHGP, which provides guidance for our CO2e calculation method. It illustrates which areas of business activities are covered under Scope 1 (direct emissions), Scope 2 (indirect upstream emissions) and Scope 3 (indirect downstream emissions) (see pp. 40-41).

Climate Targets

In 2021, we defined concrete goals, which will be revised during 2023.

- 2023: We have reduced our CO2e emissions from our cars by 30%.
- 2024: We solely use renewable energy.
- 2025: We have reduced our Scope 1 and Scope 2 emissions by 95%.

Our Policies

- New car policy with extra subsidy for EV's.
- New environmental policy defining commitments, objectives, responsibilities and concrete areas of action.

Our Efforts in 2022

- Cooperation with startup The 0-Mission.
- SBTi approval of CKH.
- CKH's CDP score moved from B- to B.
- Swap to 5G and modernization of 3's 4G network.
- Sustainability workshop with Management team.
- EcoSim, world's first SIM card made of recycled plastic.

Our Expectations for 2023

- Formulating a sustainability strategy.
- Developing science-based targets on short- and long-term goals.
- Setting Scope 3 reduction goals.
- Further expanding EV in fleet.
- Preparing for reporting frameworks.
- Offering 'Trade for New' ('Byt til nyt') online.
- Recycling of 4G equipment.
- Completing swap to 5G.

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. Next, we will include suppliers, customers and other partners to introduce even more reduction initiatives related to our Scope 3.

Our CO2e Performance in Numbers

	Scope 1	Scope 2 location - based	Scope 2 market - based	Scope 3	Total ★ location-based	Total ★★ market-based
2022	405 t	6.518 t	383 t	74.825 t	81.748 t	75.613 t
2021	366 t	4.280 t	18.595 t	86.500 t	91.146 t	105.461 t
2020	448 t	7940 t	22.050 t	27.071 t	35.458 t	49.569 t

- ★ This number is the result of Scope 1 + Scope 2 location-based + Scope 3
- ★★ This number is the result of Scope 1 + Scope 2 market-based + Scope 3

We track our CO2e emissions following the GHG Protocol (GHGP), which aggregates different categories into Scope 1, Scope 2 and Scope 3. For the tracking of Scope 2 emissions, the GHGP provides two different methods: the location-based and the market-based method. Scope 3 emission factors for calculations are, where possible, collected via supplier specific environmental declarations. The emission factors are multiplied by the consumption in the respective categories.

In our Scope 3, we note a significant increase in 2021 and 2022 compared to 2020. This results from our network equipment swap and roll-out of 5G network and the modernization of our 4G network.

At the same time, we were able to lower our Scope 2 market-based emissions, through our subscription model with The 0-Missions and renewable energy certificates.

Next to continuously improving Scope 1 and Scope 2 reporting, the next step is a further optimization of our emissions calculations to get more accurate data for the activities under Scope 3. Thereby, we can effectively initiate the right reduction efforts for our entire value chain. We will continuously evaluate and take our climate policy up for revision, so it can be adapted to our needs and opportunities.

PEOPLE MATTERS



Message from 3

In 2022, we launched several activities to create a more diverse organization across departments and corporate levels. For instance, we published a new Code of Conduct for employees to create the foundation for a more diverse and inclusive working environment for all employees.

3 Academy

At 3, employees are our most valuable asset. As our employee pool primarily consist of young people, whom we want to educate and foster their full potential, we see continued education of employees as one of our most important investment areas.

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

The program is offered to all employees of 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 2022, the most popular subjects were 'Practical Leadership and Management', 'Project Management' and 'Coaching in Organizations'.



Meet Theis Enø Larsen Project Office Manager

Theis Enø Larsen has been part of the 3 family for 13 years and is currently working as a Project Office Manager.

Theis is trained as a mechanic; however, he knew that after graduating he would not work as one. Instead, he started at 3 in Customer Service and during this time, he was able to make the most of 3 Academy.

Through 3Academy, Theis gained a business Academy Profession Degree in International Marketing and Negotiation. This laid the educational foundation for him to pursue a graduate diploma in Business Administration.

This gives him a unique combination of knowledge and practical experience and has made him the perfect fit for his current role as Project Office Manager. In this role, Theis has had the responsibility for a major project: the relocation to the new HQ of 3.

“

I have always been driven by the fact that you can see that my work makes a difference. And if there is an ultimate difference, it is to deliver something physical: to produce a lamp or a sofa. Or as I have done, helped to design our new working environment.



Meet Besa Avzija Sales Manager

Besa Avzija is a Sales Manager at the 3 store on Falkonér Allé in Frederiksberg and a student at 3 Academy.

Training at 3 Academy gives Besa, and many of her coworkers, the possibility to build up new competences while working at 3.

This develops the employees both personally and professionally and gives them opportunities to take on new tasks, not just within 3 but outside of work too, leading to better, happier and more motivated employees in all parts of 3.

“

Not only do I get to develop myself personally, but I also get the same opportunity professionally, and actually use the tools I've learnt at 3 Academy.



Meet Marc Sander Jensen Customer Advisor

Marc Sander Jensen is currently working as a Customer Advisor in Customer Service.

Often when people are applying for a job at 3, they do not yet know of the existence of 3 Academy. However, when they first get an introduction, many of them find that a job at 3 and the possibility to study at the same time is exactly what they were looking for.

This is certainly the case for Marc, who applied for a job in 3's Customer Service team, because he likes to help people and see that he can make a concrete difference.

“

I had been looking for such an opportunity without being able to find it or know exactly how it could take shape. So, when they started talking about 3 Academy on one of my first days, I was thinking right away: where do I sign up?

A Responsible Workplace

At 3, we aim to be a diverse and inclusive company with room for everyone and with a high degree of diversity. To ensure equal access for women and men to vacancies, 3 has a special focus on the hidden barriers that can lead to women not getting management positions.

This is expressed in all parts of e.g. the recruitment procedure - job description, job postings, screening of applicants and job interviews. For example, 3's 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.

The telecommunications industry is generally characterized by a large turnover. Therefore, we are particularly aware of potential dissatisfaction and of maintaining the open, innovative and safe culture that we have spent many years building.

Our Gender Composition Targets

At 3, we continuously seek to have as diverse a group of employees as possible. Our gender equality goal is reflected in the gender composition of society. Ensuring gender parity across all departments is a big task that will take time.

Our Policies

- The gender equality policy defines acceptable behavior and describes our gender equality goals of reaching 40% women on the board, senior management and other management levels until 2025.
- Employee handbook sets guidelines for e.g. working environment, employee benefits and maternity leave.
- Internal employee Code of Conduct which all employees have signed and committed to comply with the fact that 3 operates in accordance with internationally recognized standards for human rights.
- Whistleblower policy.
- GDPR policy for employees.
- Gender balance and diversity policy.

Our Efforts in 2022

- New code of conduct for employees.
- Free SIM card, 3likehome in Ukraine.
- Free voice and SMS in Iran.
- Football Jersey Friday is a charity event taking place on the first Friday of March where a donation is made to the Children's Cancer Foundation.

Our Expectations for 2023

- Continuously working on our goal of being a great place to work.

Our Gender Distribution and Diversity Performance

	2021	2022
Employees total	30% female 70% male	30% female 70% male
Board of Directors	100% male	100% male
Executive Management	33% female 67% male	33% female 67% male
Senior Management	37% female 63% male	33% female 67% male
Next level Management	31% female 69% male	33% female 67% male
Customer Service	47% female 53% male	52% female 47% male
Participants 3 Academy	126 people	133 people

At the end of the financial year 2022, we only reached our gender distribution goal of 40% women within Customer Service.

The goal was thus not reached in 2022, wherefore we will continue our work in this area at full speed.

GOVERNANCE, RISK AND COMPLIANCE (GRC)



Message from 3

To prepare for upcoming legislation on sustainability reporting, we invested in this area by hiring dedicated employees in this field. We also increased efforts in establishing processes and flows. These efforts build the base for our ongoing improvements and being ready for the upcoming regulations.

UNGC

In 2022, 3 became part of the United Nations Global Compact (UNGC) and the Local Network Denmark.

3 is committed to following the 10 principles of the UNGC, and has translated these principles into sustainability principles.

Our Sustainability Principles

Human Rights	<p>Everyone has a voice at 3, and we encourage you to use it to make us a better place to work. Everyone should be able to go to work with a smile.</p> <p>We respect and work equality, freedom and the rights of all people.</p> <p>We handle data in an ethical and responsible way, respecting the rights of each individual.</p>
Labour	<p>Everyone is welcome in 3, and we refuse to accept any form of discrimination and oppression.</p> <p>We encourage openness and transparency.</p> <p>We invest in our health, education and human development.</p> <p>We encourage diversity and plurality and see our differences as a strength.</p>
Environment	<p>The environment is everyone's responsibility, and we must all live up to that responsibility in our daily lives.</p>
Anti-corruption	<p>We are objective in our decisions and do not accept any form of corruption, bribery or other unethical behaviour.</p> <p>We recognize being part of a community and take responsibility for our role in society.</p>

Governance and Reporting

3 focuses on simplifying data collection, improving data management and anchoring the reporting and validation processes across the organization.

We continuously assess areas of improvement to increase automation, and, thereby, ensure more stringent data quality related to sustainability requirements.

We thrive to obtain accuracy of our sustainability progress by establishing a clear process for identifying and collecting the correct data, as well as assumptions, estimations and methods applied in the reporting. This will be a key focus in our future work.

Increasing demands for sustainability reporting, such as the CSRD and EU Taxonomy, affects 3's processes and organization. These include a formal reporting framework that meets national and international requirements and is flexible and scalable in connection with the introduction of future new requirements.

Areas of materiality will be addressed in a more structured manner, and the results of the updated materiality assessment in accordance with the ESRS will lead to a review of our current targets and KPI's to reflect the material areas of focus.

Our Efforts in 2022

- Consolidation of sustainability responsibility through the recruitment and selection of staff dedicated to the task.
- Establishment of cooperation, workflows, processes and governance documents to equip 3 to meet complex external requirements requirements as well as internal objectives.

Our Expectations for 2023

- Perform a complete Double Materiality Assessment.
- Develop a sustainability strategy.
- Set short-term and long-term targets.
- Improve data governance and data quality.
- Enhance reporting instructions, manuals and guidelines.
- Enhance the procedure document with details on the process for identifying and collecting the correct data.
- Implement internal controls.
- Ensure that controls of the reported data are performed and documented, and that deviations are properly managed.

Responsible Procurement

With more than 700 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.

Our 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.

Our Efforts in 2022

- All suppliers recognize 3's Supplier Code of Conduct, which contains a set of minimum requirements based on national legislation and the ten principles embodied in the UN Global Compact, which has been updated.
- The whistleblower scheme was extended to now also include suppliers.

Our Expectations for 2023

- Continually improve documentation of current efforts by implementing more stringent and risk-based supplier management.
- In addition to improving system support, we are ensuring that due diligence, risk assessment and categorization of our suppliers is structured and efficient.
- Active involvement in sector-specific collaborations, where we coordinate across the telecoms industry.

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.

Our Policies

- Our Anti-Corruption and -Bribery Policy ensures clear guidelines. The policy also includes consequences - including employment sanctions - in connection with breaches of the guidelines. The policy also refers to 3's whistleblower scheme and control bodies.

Our Efforts in 2022

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

Our Expectations for 2023

- Initiatives aimed at strengthening risk assessments.
In addition, ongoing implementation/revision of necessary policies and procedures as well as awareness 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.

Our Policies

- The Data Ethics Policy includes principles for data ethical considerations, including ensuring transparent ways of processing data, and that we must ensure that consequences and risks are weighed; and documented in connection with the use of, for example, special data types and new technologies.

Our Efforts in 2022

- A Data Ethics Policy was approved and implemented.
- A data management system was implemented.
- Improved governance across processes and documentation are being refined. The work will continue in 2023.

Our Expectations for 2023

- Continued focus on utilizing the full capabilities in the compliance systems to support our compliance program initiatives and policy implementation.
- Initiation of a strengthened and integrated compliance program, including better technology support, to manage and document governance, workflows and compliance.
- 3 continues our work to launch awareness-raising initiatives as part of a desire for a stronger anchoring of data ethical considerations in the business divisions.

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 confronted with new and more restrictive legislation to protect our critical infrastructure and increase the security of services, which we welcome.

Our Policies

- Information security policies have been approved by senior management according to governance standards and rules and are implemented accordingly.

Our Efforts in 2022

- Initiated continuous 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.
- Better system utilization and support is under continuous development in order 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).

Our Expectations for 2023

- Following the adoption of the EU's NIS2 directive, 3 has launched further initiatives to proactively ensure compliance.
- Active managerial involvement must ensure an even stronger focus on cyber security, also at the top management level.
- Strengthening of governance must ensure continuous awareness and knowledge sharing on vital areas of risk.
- Improved technology support will lead to a strengthened and integrated compliance programme.
- More effective risk integration will support risk management and implementation of new appropriate safeguards and effective follow-up on risk mitigation.

About this report

This report describes sustainability efforts and calculations for HI3G Denmark ApS (which includes OiSTER and Flexii).

Reporting period

This sustainability report covers the period 1 January 2022 to 31 December 2022 (the reporting period) 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.

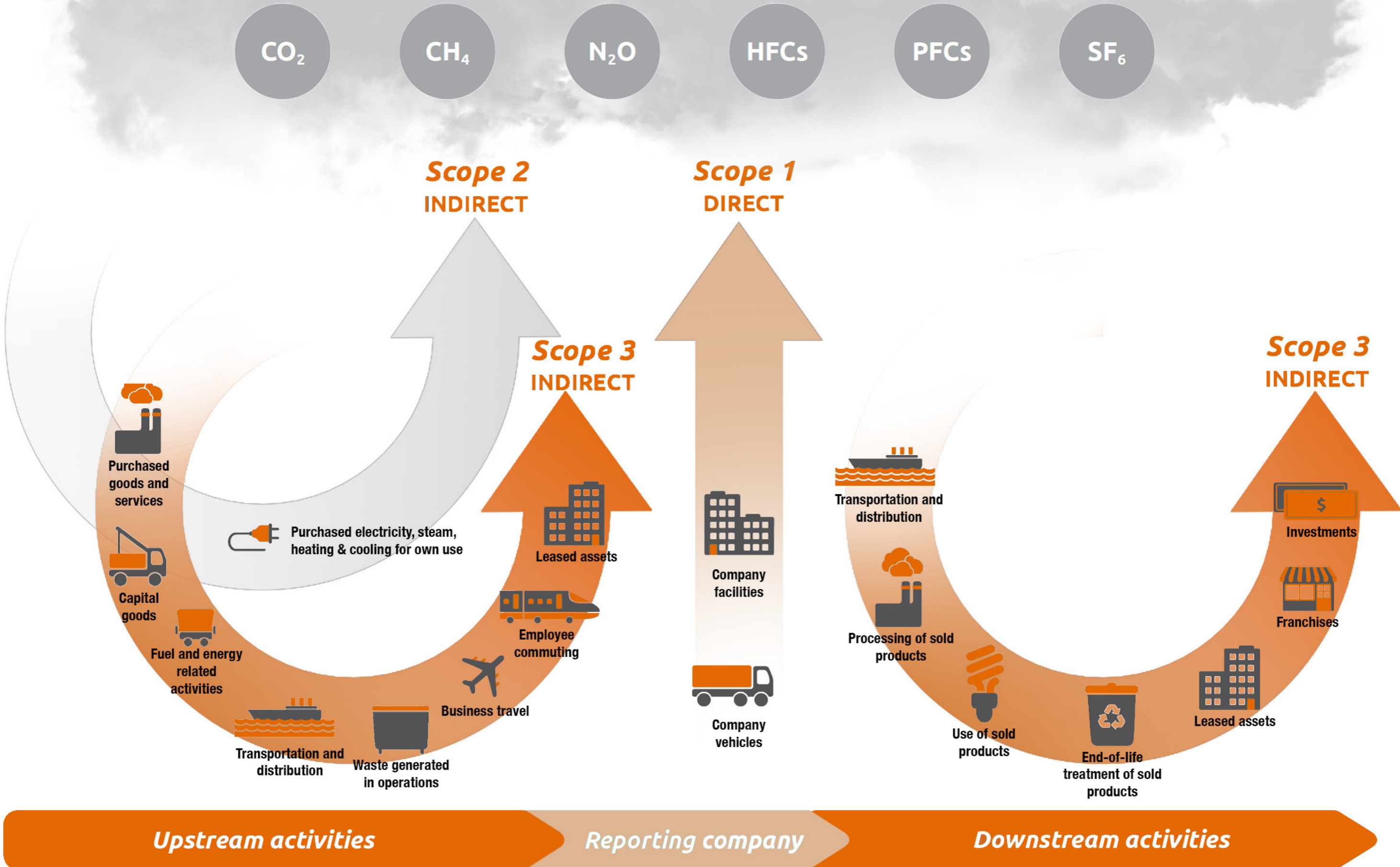
Reporting frameworks

GHG protocol

We base our calculations on the international GHG Protocol, which is a recognized standard for mapping and calculating CO₂e emissions. As prescribed by GHG Protocol, we have divided our emissions into three focus areas - or scopes. Scope 1 is calculated based on emission factors from the Danish Energy Agency (fuel) and DEFRA (refrigerants). In scope 2, emission factors from the environmental declaration for district heating as well as our electricity supplier's electricity declaration are used. As the electricity declaration will not be updated until June of the following year, we have used the emission factor from 2021 for 2022 calculations.

On page 40, we have included the GHG model, which illustrates the different business areas falling under Scope 1 (direct emissions), Scope 2 (indirect upstream emissions) and Scope 3 (indirect downstream emissions).

GHG MODEL



UNGC

In 2022, 3 became part of the United Nations Global Compact 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. To get there, UNGC supports companies to 1) Do business responsibly by aligning their strategies and operations with Ten Principles on human rights, labour, environment and anti-corruption; and 2) Take strategic actions to advance broader societal goals, such as the UN Sustainable Development Goals, with an emphasis on collaboration and innovation. In 2023, participating companies will have to fill out a Communication of Progress questionnaire for the first time. The results will be published on UNGC's homepage.

SBTi

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

CPD

The Carbon Disclosure Project is a not-for-profit charity that runs a global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts. Over the past 20 years, they have created a system that has resulted in unparalleled engagement on environmental issues worldwide. 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.

Definitions

Employee engagement and well-being

Employee well-being refers to the physical and mental wellbeing of all 3's employees in the workplace. It includes both formal well-being in the form of e.g., ergonomic conditions, stress, professional development, etc., as well as informal initiatives such as 3's running club, social events and employee-driven charity activities. Employee well-being is measured via both an annual Engagement Survey and Workplace Assessment (APV), which in 2021 had a response rate of approx. 89% and 70% respectively. In both cases, answers are processed anonymously. The questionnaire in the well-being survey is designed by 3's supplier, which draws on internal practices in collaboration with 3. The values in this report represent the aggregated results of the responses.

3 Academy

3 Academy is 3's own offer for employees and can be completed either as a single subject or an entire Academy Profession program (AP). If an AP is completed, the program consists of three compulsory subjects of a total of 30 ECTS, a number of optional modules of a total of 20 ECTS and a graduation project of 10 ECTS, which completes the program. At the end of the course, the participants had completed 60 ECTS. The teaching is executed by e.g., business schools. All tenured employees can apply to their immediate manager, who can nominate them for HR. From here, a screening is carried out, where the participants are selected. The number of participants in 3 Academy reflects the number of employees in Hi3G who either participated or completed 3 Academy in the specified year.

Diversity and inclusion

The general gender diversity is defined as the proportion of women of our total labor force. Gender diversity is based on the number of employees per 31 December 2021. The same method has been used for mapping women in Senior Management and Customer Service, as referenced in the D&I chapter.

