

CSR- REPORT 2019

Corporate social
responsibility report
- cf. § 99 a
of the Danish Financial
Statements Act



| TABLE OF CONTENTS

1. Introduction

2. Business model

- a. An advantageous position

3. 3's footprint in 2018

- a. Data flows
- b. Customer satisfaction
- c. User-friendliness and innovation

4. Risk analysis

5. Environmental and climate change impact

- a. Environmental and climate impact efforts and achievements in 2019

6. Social and employee relations

- a. Social and employee relations efforts and achievements in 2019
- b. Partnerships and contributions in 2019

7. Human rights

- a. Human rights efforts and achievements in 2019

8. Anti-corruption

- a. Anti-corruption efforts and achievements in 2019

About this report

This report contains a detailed review of Hi3G Denmark Holdings ApS's corporate social responsibility (hereafter 3). The statement forms part of the management's review in 3's annual report, with the accounting period being January 1, 2019 to December 31, 2019. This statement of corporate social responsibility also covers the period from January 1, 2019 to December 31, 2019.

| OUR SOCIAL RESPONSIBILITY

In October 2003, 3 launched 3G connections as the first Danish telecommunications company. Suddenly, the Danes were able to do much more than talk and text on their mobile phones. We represented a new generation and a new world of data-driven opportunities.

Today, we continue to define ourselves as the innovative player in the market, who represents a refreshing alternative to the established players. We not only want to offer 3G and 4G connections to as many Danes as possible and tie society closer together. We also want to be the telecommunications company where it is most easy and worry-free to be a customer because everything just works. We feel a responsibility to question industry conventions and promote innovation and ensure competition to create great customer experiences.

At 3, we thus regard our corporate social responsibility (CSR) as an integral part of our business. Our approach to CSR is based on our business and on an ambition to run and develop 3 in a way that creates growth and thus has several positive derivative effects on Danish society, which we are a part of.

In this report, you can read more about what this has entailed in 2019 and good efforts and results for the benefit of our employees, customers and the rest of society.

Happy reading.

Morten Christiansen,
CEO

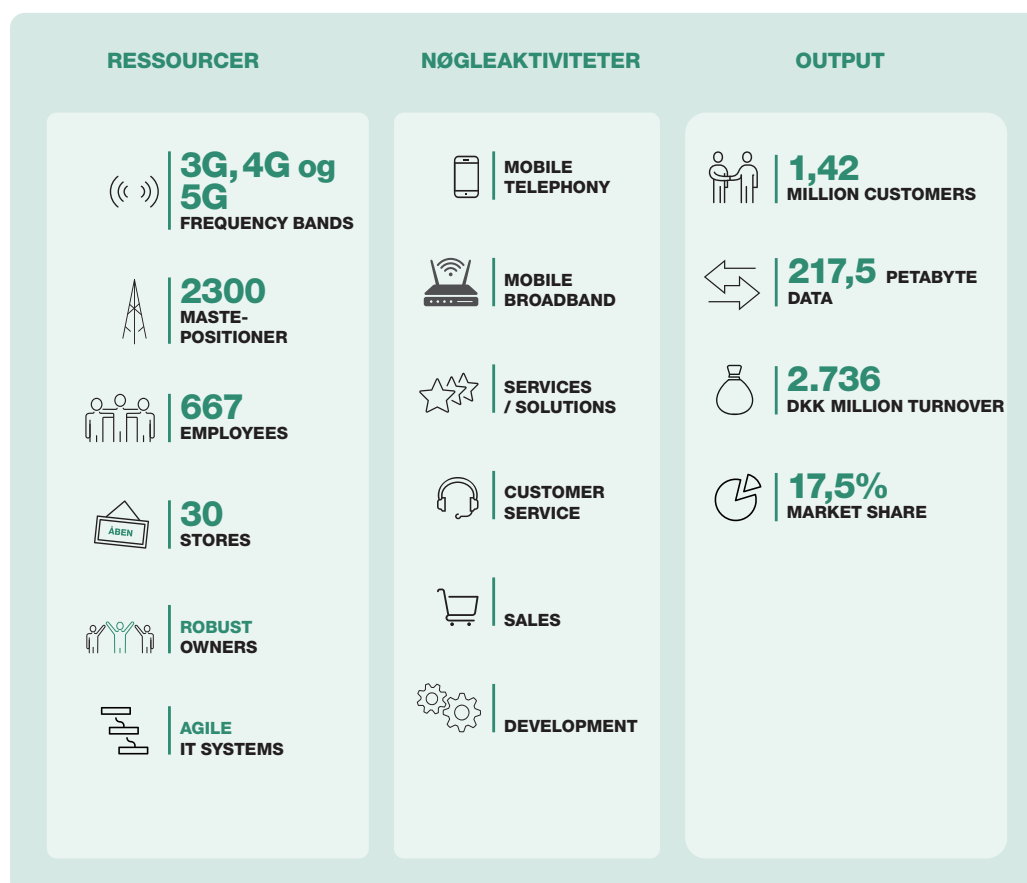


I BUSINESS MODEL

3's core business is to offer the Danes mobile telephony and data connections, and it is based on the fact that we have invested in building a mobile network in Denmark, which we continue to expand and upgrade. 3's customers are frequent users of mobile data and have for a number of years had the largest data consumption in Denmark. We also offer our customers a range of additional services and hardware (telephones, routers and accessories) and, by extension, qualified help and advice to both consumer and business customers through our customer service.

We are headquartered in Copenhagen and run sales to customers via www.3.dk, 30 stores across Denmark and our customer service. 3 also owns and operates the low-cost company OISTER, which also offers mobile telephony and data connections via www.oister.dk.

I 3'S BUSINESS MODEL 2019





By the end of 2019, customers with a 3LikeHome subscription could use their mobile phone as usual in 64 countries without worrying about roaming charges.

I AN ADVANTAGEOUS POSITION

3 was launched in Denmark in 2003. At that time, the market was already characterized by a number of large telecommunications companies that had long been engaged in 2G telephony and therefore had their well-established market shares. But 3 took up the fight and has grown steadily ever since. We have built our own 3G, 4G and 4G+ mobile networks, and we have a dedicated goal of reaching a customer base of 1.5 million happy customers. As the means to achieve this goal, we have taken on the role as a challenger in the market. We strive to attract customers by being an innovative alternative and breaking some of the industry conventions that we find rarely benefit the customers.

For example, 3 was the first telecommunications company to eliminate roaming charges in 2014. We have since added many more countries to the concept, which we call 3LikeHome, and we now see that several other telecommunications companies have chosen to offer something similar. This is a good example of how 3's presence in the Danish market intensifies the competition in favor of the Danes. 3 challenged the industry's conventions on roaming prices and brought more user-friendliness and freedom to the Danish customers.

It is our stated goal that it should be easy and worry-free to be a customer with 3. Therefore, we are constantly working to offer transparency and make the mobile experience even better and more user-friendly for the customers. And we continue to succeed in that effort.

I 3'S IMPRINT IN 2019

3 ran a healthy and stable business, which grew nicely in 2019. In this section, you can read about what the results for 2019 more specifically led to in terms of contributions and investments. From the year's revenue of DKK 2,736 million, DKK 305 million was paid out in salaries to our employees, and DKK 182 million went to investments in the network.

I DATA FLOWS

By the end of 2019, our network consisted of more than 2,300 unique positions and covered 99 % of the Danish population with 4G. This is part of the reason why our customers continue to have the highest average data consumption in Denmark. In the most recent statement from the Danish Energy Agency (H1 2019), it stated that 3's customers used an average of 12.4 GB data in the first half of 2019, while the market average for all mobile customers was 9 GB.

I CUSTOMER SATISFACTION

In 2019, we have continued to work on our ambition of removing all reasons why our customers might want to leave. And we have made great progress. In 2019, we said goodbye to the lowest number of customers ever, while satisfaction among the increasing number of remaining customers is still in positive development. We measure customer satisfaction based on the international standard NPS (Net Promoter Score), which indicates the extent to which our customers would recommend others to become customers with us. Our measurements in 2019 are based on responses from over 24,000 of 3's consumer customers, and we ended up with an NPS of 34, which is one point higher than 2018 and three points higher than 2017. At the same time, the volume of complaints has been reduced by 30 % in 2019.



At 3, we believe that being a customer at 3 should be easy and worry-free.

I USER-FRIENDLINESS AND INNOVATION

To increase the potential of the business and ensure a high level of customer satisfaction, we have also launched several services and initiatives in 2019.

For example, we added five new countries to the 3LikeHome concept during the year. Thus, by the end of 2019, customers were able to roam freely in 64 countries, which means that 3LikeHome covers 99 % of the countries to which the Danes travel. In the summer of 2019, we calculated the effect of 3LikeHome, which showed that customers who had been to Turkey in July had used data that would have amounted to DKK 830 million in roaming charges in total if they had not had subscriptions with roaming included.

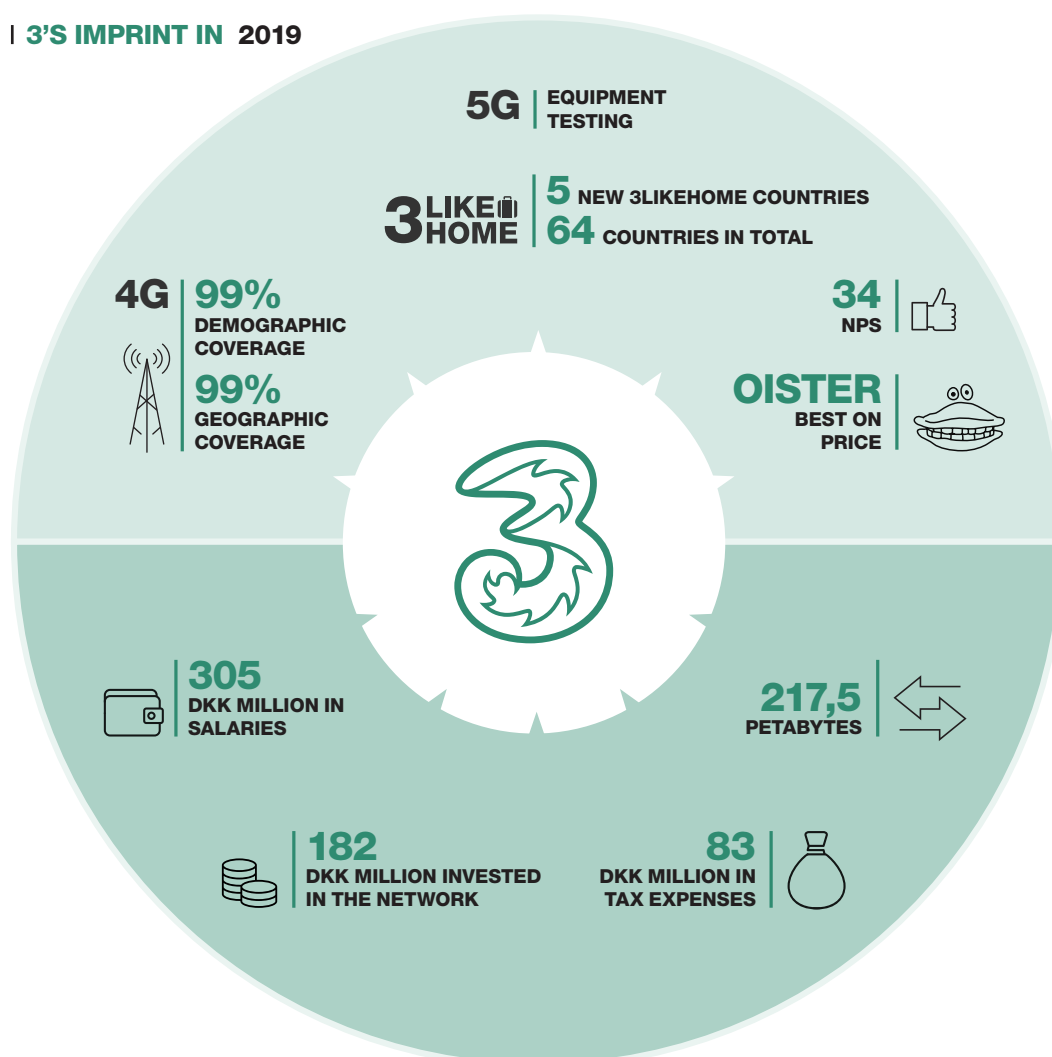
In 2019, Internet of Things (IoT) remained a concept that was widely talked about. And at 3, we have no doubt that IoT can help many companies optimize processes, collect valuable data, create complete control over devices and thus save both time and resources. However, despite the great business potential, many companies continue to hesitate to launch IoT. Therefore, in April 2019, we launched a free starter kit for companies that contains the tools needed to get started on designing, developing and testing IoT.

In February 2019, the Danish Consumer Council criticized the increasing prices in the broadband market due to low competition. Shortly after, we announced that we were ready to take up the fight – both in terms of price and user-friendliness. At that time, more than 98 % of Denmark's population was covered by our 4G network and we were able to offer a network speed that gave us the confidence to sell our 4G connections to the Danes labelled as 'Internet for the home'. We thus presented a real alternative to the wired connections that are often characterized by relatively low and unstable speeds, which many Danes had to live with. Many Danes had found that the wired connections could not meet their needs, but they were forced to accept them due to lack of alternatives, if no other companies had installed cables in their neighborhood.



¹ When our customers take their mobile phones abroad, 99% of the trips go to one of the countries that are now covered by 3LikeHome. According to Statistics Denmark, 95% of all Danes traveled abroad in 2017 with at least four nights to countries that 3 cover with 3LikeHome. For shorter journeys, the corresponding figure is 100%.

| 3'S IMPRINT IN 2019



In 2019, 3's low-cost company OiSTER continued to challenge its competitors on their prices by maintaining its market position: 'Best for the price'. In 2019, several media made price checks of the market's offers on mobile telephony and mobile broadband, and here OiSTER was at the top of the market's best deals.

True to habit, we used this year's Roskilde Festival to test our mobile network's capabilities in an environment reminiscent of what we are likely to experience in the future. Our network department is constantly focused on finding ways to ensure that there is enough capacity in our network for our customers' increasing data consumption. In 2019, we tested the possibility of switching frequencies from 3G to 4G in order to increase the speed and efficiency of the network. That meant that we shut down some of our 3G frequencies, which were instead used to expand the capabilities of the 4G mobile network. The test went well and provided very useful knowledge to our network department, who is now planning to phase out 3G in select parts of the country in the coming years.

In addition to the derivative effects that come from the fact that 3 runs a healthy business, we have also chosen to support and further engage in several projects in 2019 that are relevant for our value set and market activities in general. You can read more about this in the section 'Social and employee relations'.

I RISK ANALYSIS

As with all other businesses, it also applies to 3 that the way we operate and develop 3 can have negative derivative effects on society.

It is our assessment that we have a limited risk of negatively influencing the environment and climate, social and employee relations, human rights and anti-corruption through our activities. We comply with current legislation in all the areas listed above.

However, we are especially aware of risks that include nuisance associated with malfunctions in the mobile network for consumer and business customers, handling of personal data and IT security (for which we have a dedicated department whose work is based on ISO-27000), attraction and retention of qualified employees, as well as risks associated with business ethics and corruption.



At the end of 2019, 3's 4G network covered 99% of Denmark.

I ENVIRONMENTAL AND CLIMATE IMPACT

In 2019, we decided to support our global trade organization, GSMA's, plan to develop a roadmap to make the telecommunications industry climate-neutral by 2050. This ambition is in line with the European Parliament's climate goals adopted in Paris in November 2019 where the goal is to try to limit global warming to 1.5 ° C to avoid the effects of climate change.

We thus recognize the challenges associated with climate change, including the societal challenges associated with limiting greenhouse gas emissions. We can also see that this is an area that is gaining increasing attention, and therefore we have taken several measures

during the year, just as we started work on mapping our climate impact in more detail in late 2019 for that in 2020 to define a policy for the area.

We are aware that our primary impact on the environment is through our electricity consumption, and we have therefore worked to improve our equipment in order to minimize our environmental impact.

We are also aware of the environmental strains associated with the installation and operation of antenna masts. We comply with current regulations and municipal planning legislation with a view to respecting both the climate, the environment and societal stakeholders.

I ENVIRONMENTAL AND CLIMATE IMPACT EFFORTS AND ACHIEVEMENTS IN 2019

Capacity adjustment

Throughout the year, we have continued to focus on improving our network equipment in order to streamline the operation of masts, antennas and related equipment. On the sites where we have expanded our network, we have used new and more energy efficient equipment. In addition, we have continued to actively adjust the capacity by switching off or downgrading during times with less traffic.

LED lamps

In the first quarter of 2019, we reached the goal of replacing all spot lightbulbs in our stores with energy-friendly LED bulbs. We are also switching to LED lighting in the store's facade logos, fixtures and back rooms as we transform the stores in line with our new store concept. Thus, ten stores had LED installed in facade logos, fixtures and back rooms in 2019.



At the end of 2019, 3 had 30 stores in Denmark.

Environment-friendly shopping bags

In 2019, we also looked at the shopping bags that we hand out to customers in our stores. Here, we saw an opportunity to reduce our climate impact. We have therefore chosen to offer bags in fewer sizes and have ordered a new version produced from sustainable paper and biodegradable ink. We expect to have used our current stock of our previous bags in the summer of 2020, and by that time we will start offering the new environmental-friendly bags.

Electric bikes

In 2019, we gave employees at the head office the opportunity to borrow an electric bicycle if they were going to a meeting in the city – as an alternative to taking their own car or a taxi.

Food waste

In 2019, we have continued our focus on minimizing our food waste in the canteen at our headquarters. We do this among other things by offering individual servings and using the week's leftovers in casseroles at the end of the week. In 2019, the canteen also introduced the possibility for employees to mix a salad in the salad bar after lunch and take it home for a fee.

Code of conduct

In 2019, we have sent a code of conduct to all suppliers, which among other things communicates our expectation for the supplier to comply with local environmental legislation as well as work actively to minimize the company's environmental impact and footprint.

| SOCIAL AND EMPLOYEE RELATIONS

Skilled employees

In order to run a sustainable and efficient business, we depend on having skilled and qualified employees. At 3, we are convinced that diversity contributes to a dynamic



At the end of 2019, we had a total of 667 employees at 3 and OiSTER.

and innovative environment as we believe that diversity helps create opportunities. Our recruitment policy reflects this belief, and we also ensure that applicants are assessed based on a holistic approach, where personality, experience and skills form the primary basis for assessment.

We are also working to achieve a more equal gender distribution at 3's management levels and in the company in general. In the long run, the goal is for management to reflect the general distribution of women and men in society.

We offer a range of training opportunities to employees to ensure personal development and learning. This is particularly important to highlight for those of our employees between the ages of 20 and 30, who do not have a higher education and who feel that it is too late for them to start. They typically approach 3 to get a job in e.g. customer service or our stores; jobs that 'only' require thorough training. Internal education increases the employees' motivation and their future job opportunities both in 3 and in beyond.



We offer a wide range of training and courses to employees to ensure personal development and learning.

Employee health is also important to us, which is why we promote a healthy lifestyle through health-promoting measures such as exercise opportunities and a healthy and varied diet in the canteen.

Customers at ease

Our technology offers endless opportunities, but also potential challenges for our customers. We want to help customers achieve a sustainable relationship with the technology – i.e. that we focus on nurturing a sense of security about the use of our products and the internet in general, while also raising awareness about the possibilities of technology.

We have an efficient contingency plan to deal with any malfunctions in the network, so that our customers always get the best possible experience from their mobile network. We always strive to give our customers the best experience so that they feel that their exact needs are being taken care of. That is why we offer a customer service for our consumer and business customers, where the goal is to provide qualified and quick help, advice and information when customers need it, as well as opportunities for optimizing subscriptions, dialogue on bills, technology, setup, coverage etc. We also inform our customers wherever they are, e.g. on social media (Facebook, Instagram, Twitter, SnapChat and LinkedIn) and in our stores, where they are not only able to purchase our products, but also find advice and guidance.

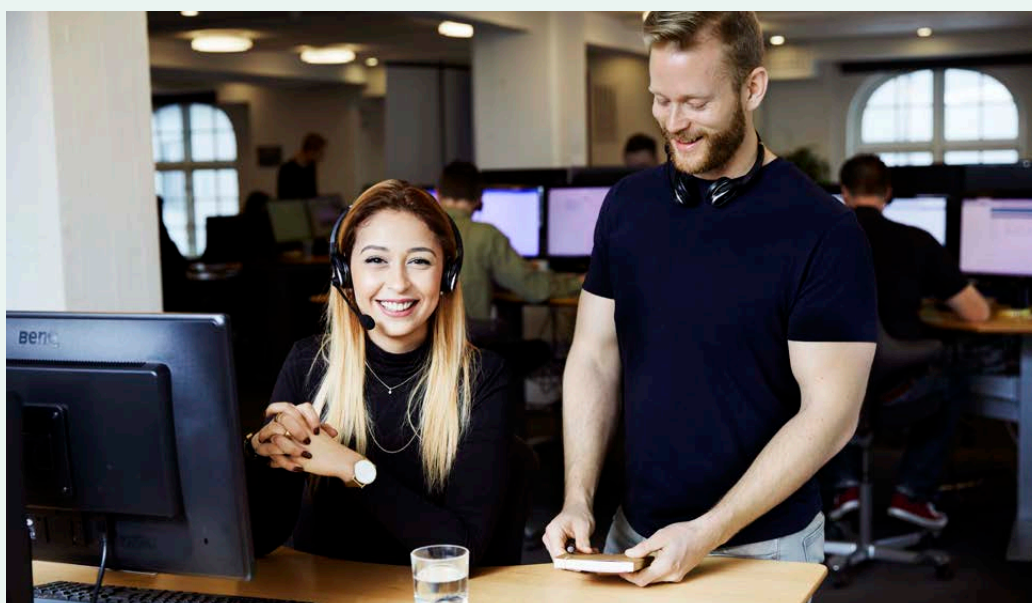
Partnerships and contributions

Every year, 3 receives multiple requests from charities and projects that want our support and involvement in their cause. We support a number of projects that we select based on whether they make sense in relation to our value set and other market activities. In addition, we have now for several years supported the annual Danish national fundraising, where 12 humanitarian organizations and the Danish Broadcasting Corporation gather to help people in some of the world's poorest countries achieve some of the UN's Sustainable Development Goals.

I SOCIAL AND EMPLOYEE RELATIONS EFFORTS AND ACHIEVEMENTS

Well-being

In 2019, we continued to carry out both workplace assessments and employee well-being surveys, and both showed positive results. Thus, our employee satisfaction remains well above our benchmark for the industry. In addition, all new employees continue to participate in an onboarding course in order to ensure a smooth start at 3.



We are convinced that diversity among employees contributes to a more dynamic and innovative environment, which ultimately contributes positively to business. In 2019, we have continued to focus on achieving a more equal gender ratio among employees.



In November 2019 the employees at the head office rowed for charity. We donated 25 kr. to the Red Cross's Christmas help for vulnerable families for every kilometer rowed.

In 2019, 50 employees from 3 participated in the DHL race, and we continued to offer running club, CrossFit club and a weekly yoga class at our headquarters.

In May 2019, specialist physician Imran Rashid gave a presentation on digital habits for all employees as part of our staff brief. Here, Imran pointed out, among other things, how bad digital habits can steal our mental resources at the expense of our relationships with colleagues, friends and family. Subsequently, we offered all employees a test of their digital habits. Imran Rashid has developed the test himself, and it consisted of several questions based on our current digital lifestyle and habits. 346 employees completed the test and they afterwards received suggested focus areas and tips on how to improve any bad habits.

In November 2019, we held a rowing event for the employees at our headquarters. We had installed a number of rowing machines in the canteen, which were available outside normal working hours, and we donated DKK 25 for every kilometer to the Red Cross Christmas charity for vulnerable families. More than 100 employees participated in the project, and together they rowed 2,080 km.

Diversity

In 2019, we continued to focus on designing our job postings to attract an applicant pool that reflects society's general gender distribution. We have also launched a new initiative where we encourage employees to share pictures from their workday and their experiences of working for 3 on social media with the hashtag #3UdenFilter. We also believe that this type of campaign will motivate both genders to seek positions with us as they are able to gain an insight into our culture and environment.

In order to ensure a more equal gender distribution in the top layers of the organization, we defined a goal in 2018 of having at least two women on the board by the end of 2020. In 2019, the goal was not reached, as the board at that time consisted of one woman and six men. The reason that the goal was not achieved was that the general assembly did not find a reason to replace the current board.

In the general staff, we have succeeded in increasing the proportion of women by 4 % in 2019, so that by the end of the year we had a distribution of 31 % women and 69 % men. In the leadership group, which consists of the top 39 executives and 'head of's', 26 % of the group were women at the end of 2019.

Education

During the year, 73 employees participated in and completed at least one academic course equivalent to 10 ECTS points, through 3's educational offerings. In addition, 3 continues to offer additional management training plus education through 3Academy, which is a short higher education in commerce and marketing. By the end of 2019, ten employees were working on a diploma.

Customers at ease

As previously mentioned, the reason for our high customer satisfaction is that we have long focused on making it easy to be a customer with 3 and OiSTER. In 2019, we launched a behavioral campaign towards our staff in customer service and stores to ensure that our customers also get the best possible experience in these channels. The campaign was named 'Like a first date' and was intended to nudge a certain behavior among employees similar to that of a first date. Employees were thus trained to follow these four directions during their conversation with a customer: 'Be attentive', 'Be curious', 'Make an effort', 'Follow through'.



In 2019, we introduced the employees in our stores and customer service to four new values to make it clear what behavior we expected from the employees.

I PARTNERSHIPS AND CONTRIBUTIONS IN 2019

- Media Council for Children and Young People

Together with industry partners and the Media Council for Children and Young People, 3 has contributed to the development and distribution of a parenting guide entitled 'There is so much parents don't understand – What do I need to know when my child goes online?'. The guide targets parents of 7-12-year-olds and provides knowledge of children's life, play and learning in relation to the internet, social media and online games.

3 takes part in the project with a wish to strengthen parents' knowledge and better enable them to take responsibility for and support their children in using social media, online games and other digital services in a safe and secure way.

80,000 people had read the guide up until February 2019, when it was relaunched in an updated version including the latest trends, recommendations and knowledge – among other things about online advertising and what to pay attention to when your child follows famous influencers. You can also read about the rights your child has in relation to the new General Data Protection Regulation that took effect in May 2018. Finally, the guide also sheds light on new terms and concepts that are important in children's everyday lives, like 'skins', 'snap streaks' and 'influencers'. The updated guide is available here:

[DOWNLOAD PDF HERE](#)

In March 2019, a number of supplementary materials were published that aim to make it easier to discuss the guide's themes at parents' meetings in schools in order to strengthen the dialogue between home and school in relation to the digital well-being and culture in the classroom. The materials called 'Digital genius' are designed as an online toolbox with activities that can help e.g. a teacher to facilitate a constructive and engaging dialogue at the parents' meeting about the digital well-being of the 7-12-year-olds.

The materials are available here: www.digitalgenial.dk



There is so much that parents don't understand about children's online lives. Therefore, 3 supports the work of the Media Council to increase the knowledge level among parents.

Danmarks Indsamling (Danish national fundraising)

3 supported the annual Danish national fundraising in 2019 with DKK 103,000 on the evening of the big fundraising show in February. In addition, we donated three iPhones to the Danish Broadcasting Corporation's radio channels P3 and P4, where the phones along with other items were handed out as prizes in the radio programs' lottery during the fundraising week. In 2019, the money from the Danish national fundraising went to 12 projects that work to help some of the world's millions of vulnerable girls. Those who get married to men old enough to be their fathers. Those who are trafficked as prostitutes or held as house slaves. Those who become pregnant while they are children themselves. The projects aim to support a future where girls are guaranteed basic living conditions, health and safety.



3 supported the annual Danish Collection in 2019, which supported children on the run.

Photo: © UNICEF Anmar

Turning tables

In 2019, we have continued our support for the NGO Turning Tables, which works to strengthen young people's life situation in Denmark. With film, photography and music as creative tools, they create spaces where young people learn new skills, share experiences and transform their frustrations, dreams and hopes into words and pictures. Turning Tables also runs several international projects and is also an official partner to the United Nations Development Program, the UNDP's, in communicating the UN's new development goals. We support their Danish activities, which in 2019 included the project Optursdanmark, where Turning Tables held music workshops with children and young people from six social housing areas around the country in order to publish the music on an album.

The project was carried out together with the interest organization BL - Denmark's Social Housing as part of the celebration of BL's 100th anniversary. The purpose was to convey stories about life in the social housing areas – the good and the bad, and thus give a unique insight into the diversity of Danish social housing. The album was released on various music streaming services in January 2020 entitled 'Pumapunk'.



The Red Cross had an ambition in 2019 to help 12,000 vulnerable families get a Merry Christmas with Christmas help

Red Cross Christmas help for vulnerable families

While most children and adults look forward to Christmas, the holiday season for many families in Denmark is associated with great concerns and deprivation. They cannot afford Christmas dinner, a Christmas tree or gifts. Not least for the children, Christmas is associated with the feeling of standing outside.

That is why the Red Cross raises money every year from businesses and individuals to help some of the vulnerable families. The Christmas help typically consists of a Christmas basket filled with Christmas food and a small gift for the children. That way, both children and adults get a Christmas Eve, like most other families.

At 3's employee event in November 2019, DKK 25 was donated to the Red Cross for every kilometer, which the employees rowed on a number of rowing machines in the canteen. The project ended with a donation of DKK 104,000, which gave 130 exposed families a helping hand at Christmas.

I HUMAN RIGHTS

At 3, we do not have a separate policy on human rights, as we only do business in a well-regulated market where human rights are protected and maintained by national legislation and the Danish authorities.

Nevertheless, we are aware of the global as well as local challenges in Denmark related to human rights, and we therefore also operate in accordance with internationally recognized standards for human rights, and we seek to comply with the principles of the UN Global Compact.

We also consider the handling and protection of personal data, including the protection of the right to privacy, as an area of human rights. 3 and all employees thus have a shared responsibility for ensuring the privacy and personal information of both customers and employees.

Human rights efforts and achievements

In 2019, we have sent our code of conduct, which contains formalized human rights requirements, to our suppliers.

I ANTI-CORRUPTION

As an employee of 3, it is not allowed to give or receive any kind of bribe, inappropriate kickbacks, extravagant gifts, entertainment invitations or anything given to directly or indirectly obtain an undue consideration or business benefit. We want to maintain high standards of business integrity, honesty and transparency in every part of the business.

3 has a whistleblower scheme, which aims to create an open corporate culture where everyone can freely comment on irregularities and illegalities committed by the company's employees and suppliers.

Anti-corruption efforts and results

In 2019, there have been no reported cases of violations of 3's anti-corruption and bribery policies. Furthermore, no redundancies were made during the year due to violations of the company's policy.