Corporate social responsibility report

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About this report

Tele Columbus AG with its PŸUR brand is one of Germany's leading optical fibre network operators, reaching more than three million homes. By providing access to information and education, our networks facilitate participation in society.

This CSR report is Tele Columbus' fourth, documenting the company's progress in implementing its sustainability strategy for the year 2020 under the umbrella of Tele Columbus AG. The investments made by Tele Columbus AG in fibre-based network expansion are aimed at meeting future demand for bandwidth and safeguarding media diversity. In our sustainability strategy, we have set ourselves clearly defined goals in all relevant areas to help shape this future development in a sustainable and socially responsible manner. Our aim with this report is to create the necessary transparency to serve as a basis for our interactions with our key stakeholder groups.

This report has been prepared in accordance with the German Sustainability Code (GSC) and references the GRI Sustainability Reporting Standards (CoreOption) to delve into the Tele Columbus AG sustainability strategy along the company's value chain. This report is based on a materiality analysis that is continuously compared against the development of our business model. Tele Columbus has also included its separate non-financial Group report in this CSR report as per Sections 315b and 315c in conjunction with 289c to 289e of the German Commercial Code (HGB). This report also forms the basis for a GSC declaration of conformity.

An index with a list of key topics as per Section 289c HGB assessed by Tele Columbus in accordance with statutory materiality requirements can be found on page 171.

The figures and information in this report describe the situation as at 31 December 2020 unless otherwise stated and include all Group companies that employ staff and majority shareholdings in which Tele Columbus holds a controlling interest. The most important companies operating as part of Tele Columbus AG are Tele Columbus Betriebs GmbH, Tele Columbus Vertriebs GmbH, HLkomm Telekommunikations GmbH, Kabelfernsehen München ServiCenter GmbH, Tele Columbus Multimedia GmbH and RFC Radio-, Fernseh- und Computertechnik GmbH. For a full list of all participations in other companies, please refer to the information on the scope of consolidation on page 94 of the notes to the consolidated financial statements.

This year, information regarding our carbon footprint has been enhanced with the addition of data relating to the upstream and downstream value chains (known as Scope 3 emissions). Additional key performance indicators provide greater comparability with peer-group companies and also facilitate the management of our sustainability goals. No external audit of the content of this report is carried out by an independent third party. The report is reviewed by the specialist departments and approved by the Management Board.

Business model and vertical integration

Tele Columbus regards itself as a network operator that provides telecommunications services for residential and business customers. To its housing association partners, the Tele Columbus Group offers tailored models of cooperation and state-of-the-art services such as telemetric and tenant portals. Via its brand PŸUR, the company offers high-speed internet including telephony and more than 250 TV channels delivered through a digital entertainment platform that combines linear TV with video-on-demand entertainment. As a full-service partner for municipalities and regional utilities, the company is actively supporting the fibre-based infrastructure and broadband internet expansion in Germany. We offer the full range of services, from planning and construction and passive and active network operation all the way through to product marketing and customer service. For business customers, the Group offers carrier services and corporate solutions on its proprietary fibre network as well as data centres that meet the highest security requirements.

Further information on our business model can be found in the Group management report starting on page 82.

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| **CSR strategy of Tele Columbus AG**

CSR strategy of Tele Columbus AG

Tele Columbus AG acknowledges its responsibility for the consequences of business activities across the entire value chain. Our employees take into account the impacts of their decisions on social and environmental aspects of sustainability. In the context of our corporate responsibility, the effects of our business operations should be reconciled with the expectations and requirements of our customers, partners and investors. We have summarised the main requirements for sustainable orientation of our business activities in our CSR mission statement.

The concerns of our stakeholder groups have been ascertained in a materiality analysis and subjected to regular examination in the context of continuous dialogue. This materiality analysis involved identifying potentially relevant topics – taking into account external frameworks and benchmarking – and assessing them in terms of their business relevance and their impacts on the business activities of Tele Columbus in line with the requirements in the CSR Directive Implementation Act (CSR-RUG, Sections 289b et seq. HGB). The results from the previous year's analysis were validated internally in the reporting year and confirmed with the involvement of the Management Board.

The topic "Respect of human rights" was not considered material as per Section 289c HGB as a result of the analysis. Nevertheless, the Group has still decided to look into this topic in greater depth and take precautionary measures in the form of a code of conduct on human rights and environmental aspects, which is a component part of our general terms and conditions.

Further information on safeguarding employment conditions in the upstream value chain is provided in the Compliance section.

Key topics

Non-financial report as per Section §289c HGB	Key topics for Tele Columbus
Environmental topics starting on p.181	**Resources starting on p. 181** Electricity consumption Mobility Recycling Purchasing Logistics Product usage
Employee topics starting on p.189	**Employees p. 189** Employer attractiveness HR development Occupational health and safety Diversity and equal opportunities
Social topics	**Customers and products p. 175** Digital inclusion Data protection Customer satisfaction Products and innovation Communication and transparency
Combating corruption and bribery	**Responsible business management p. 195** Compliance Notes on political influence
Respective human rights	Immaterial for Tele Columbus as per Section 289c HGB on account of the business model.

Guiding principles

To give our corporate social responsibility measures a holistic and strategic dimension, the Management Board and Supervisory Board of Tele Columbus AG have adopted a sustainability strategy that contains binding targets for each area of activity identified as material. Our sustainability strategy represents our commitment to our social responsibility and working in close collaboration with our central stakeholders to achieve this mission.

We take responsibility for our partners: For our partners in the housing industry, our broadband networks ensure value retention of properties, make homes better places to live and allow residents to engage in social discourse.

We take responsibility for our customers: We provide high-performance and clearly structured products for our end customers. Our commitment here is to communicate transparently and on an equal footing with the users of our services at all times.

We take responsibility for our employees: Family-friendly working arrangements, occupational health and safety and support of employees through training opportunities matter to us. As a modern employer, we take our diversity and gender equality obligations seriously. We also promote humane working conditions in our supply chain.

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We take responsibility for the environment and society: As a company, we invest in sustainable, and therefore future-proof, technologies and are increasingly gearing all our activities towards sparing use of natural resources.

Strategic corporate goals

The company pursues a corporate strategy that puts the Tele Columbus Group in the position to reliably achieve its medium- and long-term goals. These goals include increasing product quality and optimising internal processes to enhance customer satisfaction, as well as strategic fibre-optic network expansion to provide the future-proof technical foundations for customer and turnover growth. Along the realisation of these corporate goals, decisions must be made that have an impact on the social aspects of our business activities. These include evaluating investment projects, managing innovations to drive forward digitalisation in the housing industry, improving the customer experience and defining common values to strengthen team spirit.

Organisation, management, incentive systems

Major strategic decisions relating to social responsibility and sustainability are taken directly by the Management Board and the management team. The management team is responsible for managing sustainability projects and reports directly to the Management Board of Tele Columbus AG. The responsible specialist departments have full operational involvement in the development of social and environmental measures. The status of target attainment is monitored by a CSR steering committee made up of representatives from these specialist departments. Key performance indicators (KPI) are applied to all projects.

In 2020, the steering committed looked into the collection, calculation and assessment of indirect CO_2 emissions in upstream and downstream value chains as well as reviewing the definition of reporting limits. It also addressed regulatory changes and statutory requirements concerning sustainability issues.

Leadership quality was once again assessed on the basis of the corporate values of simplicity, efficiency and fairness as a bonus component for directors and the management, also incorporating the approach of 360-degree feedback. All Tele Columbus employees take part in annual employee meetings in which target agreements are concluded.

CSR strategy

To give our corporate social responsibility measures a holistic and strategic dimension, the Management Board and Supervisory Board of Tele Columbus AG have adopted a sustainability strategy that contains binding targets for each area of activity identified as material for the year 2024.

Control of measures

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| **CSR strategy of Tele Columbus AG**

1. CO₂-free network operation

We aim to achieve climate-neutral operation of all of our networks by 2024 at the latest.

2. Offsetting the environmental impact of flights

We aim to fully offset the greenhouse gas emissions of unavoidable flights.

3. Vehicle fleet: Reduction of greenhouse gas emissions by 30% per kilometre

We aim to reduce CO_2 emissions of company car journeys by 30% by 2024.

4. Best customer service in the industry

We aim to provide our customers with the best customer service in the industry.

5. Creating a positive employer brand

Tele Columbus aims to be perceived positively as a recommended employer with the PŸUR brand by 2024.

6. Preventing work-related accidents with an accident rate below the industry average

We aim to reduce our work-related accident rate to well below the industry average and minimise work-related illness.
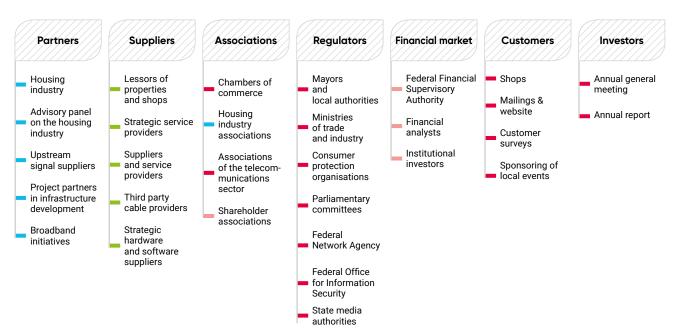
7. Preventing notifiable compliance breaches and monitoring supply chains

We aim to further reduce the risk of compliance incidents by 2024 at the latest through further optimisations to our compliance management system. In addition, supply

chains are to be examined by means of commensurate measures, and humane working conditions are to be agreed with our suppliers through a Code of Conduct. The Code of Conduct is based on the core standards of the International Labour Organisation (ILO).

8. Achieving greater quality and transparency on data protection matters and increasing security in IT architecture

We will have increased the protection level for personal data beyond the legally required level and have situation-appropriate processes in place to address data protection-related enquiries by 2024.

External Stakeholder/Overview

Partners	Suppliers	Associations	Regulators	Financial market	Customers	Investors
Housing industry	Lessors of properties and shops	Chambers of commerce	Mayors and local authorities	Federal Financial Supervisory Authority	Shops	Annual general meeting
Advisory panel on the housing industry	Strategic service providers	Housing industry associations	Ministries of trade and industry	Financial analysts	Mailings & website	Annual report
Upstream signal suppliers	Suppliers and service providers	Associations of the telecommunications sector	Consumer protection organisations	Institutional investors	Customer surveys	
Project partners in infrastructure development	Third party cable providers	Shareholder associations	Parliamentary committees		Sponsoring of local events	
Broadband initiatives	Strategic hardware and software suppliers		Federal Network Agency			
			Federal Office for Information Security			
			State media authorities			

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Non-financial risks

Tele Columbus has a group-wide risk management system in place to identify risks at an early stage and handle them.

The aim here is to ensure systematic recording and assessment and therefore deal with risks and opportunities conscientiously. Risk management allows Tele Columbus to identify adverse developments at an early stage so that countermeasures can be taken promptly and monitored.

Potential non-financial risks relating to the impacts of the company's business activities were assessed, as were the impacts arising in connection with the company's business activities, for instance in the upstream and downstream value chains.

Following the measures implemented by Tele Columbus, no notifiable non-financial risks were identified with regard to the probability of occurrence or severity of impact.

Further information on the risk management system at Tele Columbus can be found in the "Risk report" chapter in the Group management report starting on page .

Involvement of stakeholder groups

Tele Columbus engages closely with all stakeholder groups.

We engage in regular discussions with all our stakeholders through various means. Our sustainability management constantly reflects our stakeholders' concerns.

Intensive negotiations were conducted with our stakeholder groups in 2020, in spite of the restrictions on physical meetings. These included continuous coordination with our advisory panel on the housing industry, especially with regard to future contractual structures, the effect of the wholesale agreements on existing contracts and close collaboration on consultation processes relating to the drafting of the new German Telecommunications Act. In relation to this topic we held intense talks with the associations of the housing industry and also increased our engagement significantly in our relevant associations. Moreover we exchanged ideas with consumer protection groups in regards of the updated telecoms law in Germany as well as the forwarding of information to members of parliament.

The annual general meeting took place on 30 December 2020 in a virtual format.

We conduct customer surveys regularly and hold an annual employee survey both contribute to the well-diversified portfolio of contacts that we hold with our relevant stakeholders. As a result of our engagement with the relevant stakeholders we concluded that it was of interest to report the accident-related sick days as well as the information regarding the use of fluorescent greenhouse gases.

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Customers and products

Digital inclusion

Modern fibre networks allow us to provide highperformance connections for businesses in addition to fast internet, telephone lines and high-resolution TV for home customers. The Tele Columbus Group's approach here is based on customised expansion that, as well as reflecting current requirements, takes future growth in demand for bandwidth into account. At Tele Columbus, existing fibre/coaxial technology is combined with the latest technological standards, thus opening the door to the gigabit age. Optimum capacity provision is made with the favoured fibre-optic expansion stages in which the fibre cables are installed as far as into buildings or even into individual apartments.

With its own networks, Tele Columbus is one of the leading fibre cable network operators in Germany. In network level 3 – referring to the distance between the signal headend and the buildings to be supplied – the ongoing expansion projects are generally based on fibre technology: the huge data transmission capacity of the fibre-optic cables forms the basis for high reserve capacity, which is crucial to provision of broadband internet.

To this end, networks designed for TV transmission only must be strengthened for internet operation, a process called return channel capability. As at 31 December 2020, 71% of households connected by Tele Columbus were upgraded for internet capability.

The year 2020 once again showed how important our media distribution networks and broadband networks are. Our experiences have strengthened our desire to shape the digital transformation of the communications and media industry in a sustainable and socially responsible manner. Restrictions caused by the pandemic have accelerated social trends and led to permanent and significant changes in the way in which we learn and work digitally. This trend is fuelling use of the private TV, telephone and internet connections that we provide and is also raising the bar when it comes to the quality of supply and availability.

With the construction of new optical fibre networks, and modernisation of existing networks, we are laying the foundations for regions to profit from this trend towards a digital society. Rather than focusing simply on major cities such as Hamburg, Berlin or Munich, our networks also serve small and medium-sized conurbations such as Halle an der Saale, Schwerin, Borna in Saxony or the town of Haan in the district of Mettmann. Local, fibre-based, highperformance infrastructure has never been so important as a key location factor for business districts and, consequently, for job creation outside conurbations. Our enterprise solutions division, PŸUR Business, delivers wholly fibre turnkey development concepts for municipalities and businesses.

In addition, our networks ensure the basic TV provision for the receipt of all must-carry services. Through supply of ARD-Dritte programmes from neighbouring federal states and additional local TV stations, our distribution networks are strengthening local and regional diversity of opinions and thus creating socially important communication forums, even across state and national borders.

Therefore, the networks of Tele Columbus are meeting a key function for engagement in social discourse across all layers of the population and are part of future-critical broadband provision in Germany.

Data protection

The Tele Columbus Group maintains licence agreements with the housing industry and user agreements with the end customers of its products. The use of telephony and internet services also involves access data and sensitive connection data that must be protected against unauthorised access. In view of possible software vulnerabilities and targeted cyberattacks, it is clear why Tele Columbus works hard to protect personal data when securing participating IT systems.

Our data protection efforts at the Tele Columbus Group are aimed at meeting the statutory requirements for storage and management of sensitive data at all times, notifying the responsible regulatory authorities immediately in the event of incidents relating to data protection and informing affected customers and advising them on how best to limit any damage.

Data protection issues are handled under the leadership of the Legal department. An external data protection officer is on hand for the Tele Columbus Group for matters relating to data protection. The PŸUR Business division (HLkomm Telekommunikations GmbH), with its own data centres, has a further external data protection officer. IT baseline protection as per ISO 27001 and quality management as per ISO 9001 are ensured at PŸUR Business. Annual reaudits are conducted

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with assistance from the Quality and Security Management department.

In view of the processing of personal data and the evergrowing complexity of IT system, data protection is a hugely important topic for the Tele Columbus Group. The IT Operations department has created the post of security officer to ensure state-of-the-art security of our IT systems, identify vulnerabilities and close security gaps quickly.

Besides complying with specific provisions of the EU General Data Protection Regulation (GDPR), Tele Columbus is also obliged under the German Telecommunications Act (TKG), the German Telemedia Act (TMG) and the German Federal Data Protection Act (BDSG) to process personal data as follows in accordance with Article 5 (1) GDPR: lawfully, fairly, transparently, purposefully, accurately, with integrity and confidentiality and in a manner that minimises data and limits storage.

Constant improvement processes raise the acceptance and visibility of data protection compliance throughout all specialist departments.

Tele Columbus was confronted with a whole host of unprecedented data protection issues in 2020 on account of the COVID-19 pandemic. From visitor and hygiene concepts to recording the personal data of guests to regularly comparing various federal and state-level laws and requirements and rulings, as well as other dataprotection regulations, there were many hoops to jump through.

The Schrems II Decision by the European Union Court of Justice issued in 2020 underlines the necessity for comprehensive internal evaluation processes, which have been consistently improved over the past few years at Tele Columbus. To give an example, Tele Columbus reviewed its records of processing activities pursuant to Article 30 GDPR to find out whether any data is transferred to the US or to other third countries and whether a level of protection can be guaranteed that is comparable with that defined in the GDPR and the EU Charter of Fundamental Rights. A significant volume of contractual documents were reviewed for this process, and existing service providers contacted and asked to comment. This led to a small number of contractual amendments as well as changes in service providers. Tele Columbus has established a Schrems II check prior to the conclusion of contracts with a potential link to third countries as a subset of its obligations under data protection law.

One decision by the Federal Commissioner for Data Protection and Freedom of Information (BfDI) at the end of 2019 was of paramount importance to telecommunications providers. Authorities issued one provider with a fine of EUR 9.6 million due to a violation of Article 32 GDPR (Security of processing) in relation to the processing of customer data through a call centre. Tele Columbus was also requested to complete a survey regarding its customer authentication process.

Unlike the operator who received the fine, Tele Columbus had already implemented a three-stage process prior to this that was underpinned by specific process structures in the reporting period. In an aim to enhance the level of protection in this area even further, Tele Columbus launched a project involving the introduction of a "customer PIN" in the reporting period that is scheduled for completion in 2021.

No reportable incidents took place thanks to the ever increasing awareness of data protection among employees and the great deal of care taken in this regard. One data protection incident took place at PŸUR Business.
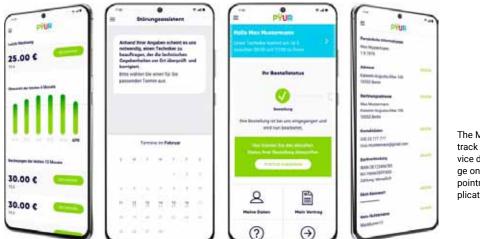
Customer satisfaction and service quality

To give its customers an outstanding customer experience, Tele Columbus AG has paid increased attention to customer service work and customer satisfaction. Our customers are the users of our network connections, as well as customers in the housing industry with whom the requisite operating and supply agreements have been concluded.

A holistic concept to improve the customer experience is intended to achieve tangible improvements in quality at all points of contact. Tele Columbus aims to become the industry leader in service quality and customer satisfaction and has taken numerous measures to achieve this ambitious goal in its operating business.

The corporate strategy defines customer service as a key action area.

In 2020, customer journeys at individual contact points were further automated and underwent end-to-end transformation. In practice, this means that a customer can arrange technician appointments to resolve a problem whenever it best suits them. Technician appointments with PŸUR can

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The Mein PŸUR app: keep track of bills, check service disruption and arrange online technician appointments in a single application.
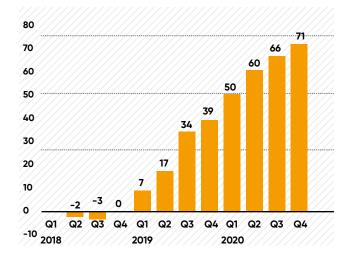
The success of the implemented measures is reflected in an increase in NPS across all customer contact points from 71 when the NPS was introduced in 2018 and a rise of 21 points in 2020.

Touch Point NPS
+ 71pp NPS-Improvement since inception 2018

now be arranged independently by customers themselves, after the necessary system integration work was completed and interfaces developed. This automation has resulted in an increase in field service profitability at the same time.

Customers are surveyed once the service interaction is complete to reveal any vulnerabilities in the customer journeys. The results are routinely gathered, analysed each day and shared with employees. The "Net Promoter Score", or NPS

for short, is the relevant measurement method. In addition to the NPS, we also gather information on the availability and problem-solving skills of our employees. In order to gain comprehensive insight into customer satisfaction, contact volume, product booking behaviour and the cancellation rate are also included in the analysis. The appeal of the product portfolio is measured according to the number of products (RGUs or revenue-generating units) sold. The results of all these measurements flow directly into project management.

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Tele Columbus conducts a separate survey within its network regions to measure its progress compared to its competitors; this survey deliberately includes non-customer households.

The most recent survey, conducted between November and December 2020, involved the calculation of almost 5,500 NPS values from over 3,000 households. Overall, our brand PŸUR gained some 14 points on its competitors in 2020 and was within touching distance of major competitors in key categories.

Tele Columbus received the CX Leader of the Year award in the Utilities category in 2020 with its PŸUR brand. A panel of experts judged this customer experience award according to strict criteria and closely scrutinised customer orientation concepts.

In connect magazine's service hotline comparison of Germany's six leading internet service providers, PŸUR achieved a remarkable result: PŸUR was awarded the grade of "very good" and finished just behind the overall winner. PŸUR actually significantly outperforms the market leader in terms of waiting times and availability. We were also able to re-affirm our previous year's performance in Chip magazine's test with a "very good" rating (overall grade of 1.4). Even against the backdrop of the coronavirus crisis and the significant increase in order hotline calls, our customer service staff performed excellently, and were awarded with a grade of 1.3 in the "service" category.

App net installations and monthly active users

■ App Net Installations ─── Monthly Active Users

The qualities of the Mein PŸUR app are now well known. With almost 144,000 installations by the end of 2020, this digital contact tool grew by 60% in just one year.

The Mein PŸUR continues to be developed and enjoy great popularity. The app includes a smart service disruption assistance, which can link product data with technical network parameters and modem information and provide real-time assistance in resolving issu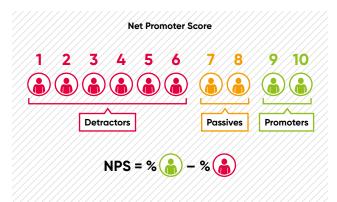es with internet or telephone connections. With some 143,600 installations (previous year: 90,000), the Mein PŸUR app continued to experience high user growth. All in all, the online customer portal and the

Mein PŸUR receive just under 105,000 users (previous year: 80,000) per month. At 46.5%, almost half of all portal log-ins were attributable to the app. One year previously, only 30% of users accessed the portal through the app.

The share of customer service enquiries responded to through digital channels came to 20% in December 2020 (+2.4 percentage points year on year).

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Net Promoter Score

1 2 3 4 5 6   7 8   9 10

Detractors   Passives   Promoters

NPS = % 👤 − % 👤

Measures were focused on improving service processes and product quality. Customer service staff were given automated tools to improve the quality of information and enhance their problem-solving expertise. These tools enabled staff to identify problems as accurately as possible and take the right steps to ensure that issues were resolved.

Responsibility for the project to improve customers experience lies with the Customer Experience Management department and is assigned to the portfolio of the Chief Operations Officer.

Products und innovation

Fairness, simplicity and efficiency are the benchmarks for our day-to-day work and actions. These three core brand values are intended to create a holistic awareness among employees that a product or a service is more than the mere consideration of price and performance. Our packages and products are structured transparently and can be booked individually and flexibly.

All products have minimum contractual terms of 24 months or 3 months. Contracts with three-month minimum contractual terms can be terminated monthly once this minimum term has expired.

As part of a further simplification of our services, various HDTV packages were collated into a single product, with the CI+ module for receiving the private HD channels already included free of charge. The advance TV digital entertainment platform can be combined with HDTV and all Triple Play packages including a monthly add-on option that can be cancelled. The changes come as a response to shifting customer demands and are aimed at making our TV offering much clearer.

The Fritz!Box premium modem is now included for rental free of charge in all TV, internet and telephone combi packages for new customers. With a telephone flat rate included, customers can make free calls to all landline and mobile numbers in Germany.

Booking behaviour and routine customer surveys are analysed to align the range of products and services with our customers' needs. Marketing Strategy and Products is responsible for structuring our TV, internet, telephone and mobile phone products.

Communication and transparency

The PŸUR brand values of fairness, simplicity and efficiency present a particular challenge for internal and external communication. We always try to convey our information appropriately, comprehensibly and clearly. Our websites 🖥 **www.pyur.com** and **www.telecolumbus.com**, our letters to customers, the publications on our intranet for employees and our information releases to the press and the capital markets are all designed and written in line with this aim.

In order to improve visibility and transparency during the coronavirus pandemic and ensure that we continue to meet our responsibility to maintain operations during lockdown, we set up a corporate blog to provide background information and newsflashes for the press that aren't suitable for general publication as press releases.
🖥 **www.telecolumbus.com/presse/corporate-blog/**

The early closure of our offices also saw large-scale event formats such as our regular townhall meetings with the Management Board and the management team migrated to digital platforms. One of the most important aspects of employee events is the opportunity to ask the management questions, which was achieved through a question submission systems. Employees were also able to show their appreciation for, or agreement with, the questions submitted in real time. This enabled us to quickly gather an impression of all the issues that were of particular importance to our

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has a presence with customer-centric news on Twitter, Pinterest and YouTube. Our B2B specialists at PŸUR Business in Leipzig can also be found on Xing and LinkedIn with communications tailored to their target groups.

Tele Columbus AG

- **https://twitter.com/TeleColumbusAG**
- **www.linkedin.com/company/telecolumbus/**
- **www.xing.com/pages/telecolumbusag/news**

PŸUR

- **https://twitter.com/PYURcom**
- **www.pinterest.de/PYURcom/**
- **www.youtube.com/channel/UCPtyaSSzuPtfBi1nn08teVA/**

PŸUR Business

- **www.linkedin.com/company/pyurbusiness/**
- **www.xing.com/pages/pyurbusiness**

1 February 2020 and the announcement of an investment agreement with Kublai GmbH (formerly: UNA 422. Equity Management GmbH) and the declaration of support for the takeover offer.

The 2020 Annual General Meeting was initially postponed before being held virtually on 30 December 2020.

The Corporate Communications department is responsible for external and internal communication, and the Investor Relations department manages financial markets communication.

employees. The stakeholder meetings with representatives of the housing industry and conferences with our advisory panel on the housing industry took place virtually during the year.

We also began expanding our communication via our social media channels. What began as an instrument for the Tele Columbus AG HR department on XING and LinkedIn was enhanced through the addition of Twitter with the aim of facilitating cross-media dissemination. The PŸUR brand now

The cancellation of relevant trade conferences removed opportunities for expert dialogue with specialist and industry journalists. We attempted to make up for this deficit by organising a technical webinar, which proved to be a resounding success and is set to be repeated in 2021.

In terms of investor relations, two ad hoc notifications were published alongside the regular quarterly figures and annual financial statements in 2020. The ad hoc notifications concerned the appointment of Dr Daniel Ritz as the Chief Executive Officer (CEO) by the Supervisory Board effective as at

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| Ressources

Ressources

Environmental responsibility is a key part of sustainability management for Tele Columbus. Electricity consumption and energy procurement are of particular importance in terms of reducing greenhouse gas emissions. Procurement of customer hardware and product usage are also major influencing factors on our carbon footprint.

Materials used to expand our networks and the procurement of hardware provided to customers were included in the calculation of indirect emissions for the first time. Another calculation has also been established to calculate product usage by end customers. The calculation of our carbon foot-

print has been enhanced with additional information in Scope 2 and 3 in accordance with the Greenhouse Gas Protocol. The calculation draws on available emissions factors, projections and estimates. The method of calculation is to be developed further in the years to come.

Our end customers use hardware such as modems and digital cable TV receivers (set-top boxes) to access our services. Tele Columbus mainly rents out the requisite hardware. When the contract expires, the rented items are returned to us. As a result of this, we benefit from the opportunities of professional reprocessing. This has given rise to a recycling

process that helps to reduce electronic waste. The aim is to use resources as efficiently as possible, thus reducing our negative impacts on the environment.

Logistics and purchasing are handled by the Logistics and Procurement department, which reports to the Management Board on these matters.
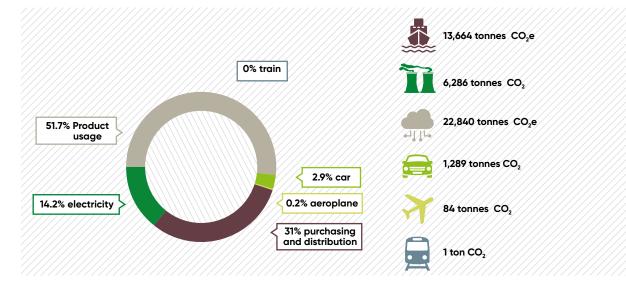
Electricity consumption
Within the Tele Columbus Group, operation of the networks and data centres accounts for a large amount of the electrical energy used.
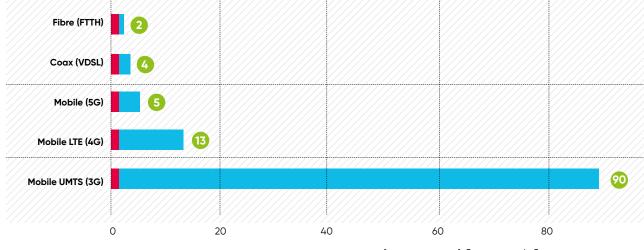
Electricity reductions in our networks stem from network construction projects that involve energy-efficient fibre technology from the outset. Modernisation of existing networks in the context of licence agreements with the housing industry is another major influencing factor. Tele Columbus is always working towards greater use of fibre technology here.

Fibre-optic data transfer is considered to be particularly energy-efficient. Electrical signals in copper wires have to be regenerated by repeaters, whereas optical signals can be sent over long distances. Optical fibre technology offers considerable potential for energy savings: Our calculations show that upgrading a conventional coaxial copper cable network in an urban environment to FTTB standards, with optical fibres replacing the copper cable all the way into buildings, can reduce power consumption by 50%.

Our carbon footprint

- 51.7% Product usage
- 0% train
- 14.2% electricity
- 2.9% car
- 0.2% aeroplane
- 31% purchasing and distribution

- 13,664 tonnes CO$_2$e
- 6,286 tonnes CO$_2$
- 22,840 tonnes CO$_2$e
- 1,289 tonnes CO$_2$
- 84 tonnes CO$_2$
- 1 ton CO$_2$

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Greenhouse gas emissions
Video streaming, data centre, transmission

Greenhouse gas emissions per hour of video streaming (HD quality) [g CO₂e/h]

■ Data centre   ■ Network   ● Total   Source: Umweltbundesamt

Investment in our networks is geared towards enhancing performance while increasing energy efficiency even further.

This year, a distinction was drawn between network energy consumption and energy for office buildings and stores for the first time. As a result, energy consumption for network operations is now reported as 22,897 MWh, with a further 1,030 MWh attributable to administration and stores. Added together to enable a direct comparison with the previous year's figure, these two figures equal 23,927 MWh, which is 744 MWh more than in the previous year. The slight increase is likely due to the more intensive use of IP-compatible networks during the coronavirus pandemic.

Nevertheless, a further reduction in CO_2 can be reported with regard to the development of greenhouse gas emissions. The ever-increasing proportion of renewable energies in the energy mix of our energy supplier, whose green electricity share is now at 61.1%, lowered CO_2 emissions per kilowatt-hour by 12% compared to 2019 to just 235 grams per kilowatt-hour.

The decline in energy consumption observed over the past few years that is attributable to network operations is due to hardware modernisation at head-ends and progress in optical fibre expansion.

The German Environment Agency calculated the power consumption of various connection technologies in 2020 using the example of video streaming. It found that fibre-to-the-home (FTTH) connections generate the least CO_2 when streaming high-definition video for a period of one hour. DSL connections were the second most efficient, followed by streaming via mobile networks. This study clearly underlines the main environmental benefit of optical fibre networks.
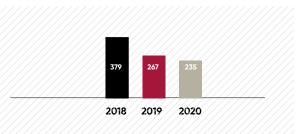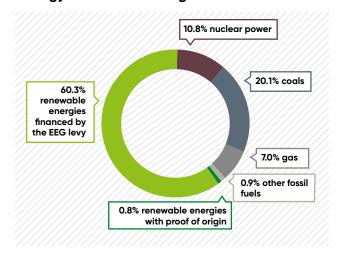
The Technology division is in charge of the design of network construction and modernisation.

MVV Energie CO₂ in g/kWh

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Energy mix of MVV Energie AG

- 10.8% nuclear power
- 20.1% coals
- 60.3% renewable energies financed by the EEG levy
- 7.0% gas
- 0.9% other fossil fuels
- 0.8% renewable energies with proof of origin

Environmental impacts

- 67% / 100% — 235 g/kWh
- 67% / 100% — 0.0003g/kWh

- ■ CO$_2$ emissions
- ■ Radioactive waste
- ■ Average environmental impacts according to Germany's energy mix

The business customer division PŸUR Business (HLkomm Telekommunikations GmbH), a Tele Columbus Group company based in Leipzig specialising in IP services, pursues a zero-emissions strategy in the operation of its optical fibre networks and data centres. Its electricity supply has been fully converted to renewable energies since 2019. Data-centre energy consumption fell to 5,701 MWh (previous year: 7,342 MWh). This was due to the phasing out of the older Leipzig data centre and the relocation.

The energy consumption of ANTEC Servicepool GmbH in Hanover remains stable at approximately 13 MWh, all of which is procured from renewable sources.

This results in CO$_2$ emissions of 5,623 tonnes[1] for the Group's technical operations, down 8.2% on the previous year's figure of 6,130 tonnes of CO$_2$.

The general energy-saving effects of network modernisation with optical fibre technology are partly countered by an overall rise in the share of internet-capable networks. The share of internet-capable networks of Tele Columbus AG, which are operated on the company's own internet backbone infrastructure, increased to 71%.

[1] With reference to the Scope 2 Guidance of the Greenhouse Gas Protocol, the quantity of 5,623 t CO$_2$ is a market-based calculation. Location based CO$_2$ emissions are approx. 10,217 t (at 427 g/kWh according to the German Environment Agency).

Internet-capable networks of own infrastrukture in %

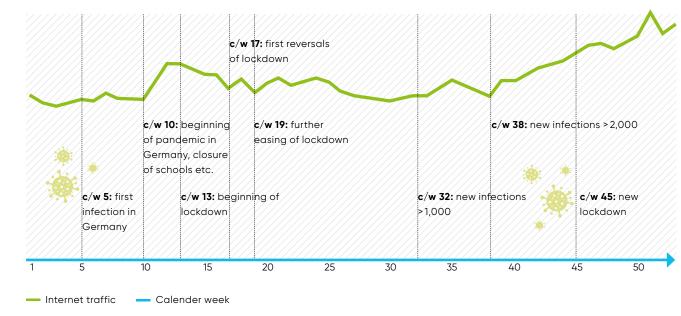| 2017	2018	2019	2020
64.8	68.9	69.6	71.0

According to studies by the VATM, the average monthly data volume of landline internet connections increased by a further 28.6% in 2020 compared to 2019. Our records show a year-on-year increase in transferred data volume of 40%. This reflects the impact of coronavirus in 2020, particularly at the beginning of the lockdowns. The trend of falling internet use in the summer months and a rise in the winter is a typical annual progression. Our networks handled the additional load during lockdown without issue, as usage periods were spread across the day and the increases at critical peak times were relatively normal.

As network utilisation rose, so did energy requirements, as the year 2020 proves. The Tele Columbus Group recorded data volume of 841,363 terabytes through its internet connections in 2020, which equates to data volume of 138 GB per active connection per month.

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Corona counter measures and internet traffic

c/w 17: first reversals of lockdown

c/w 10: beginning of pandemic in Germany, closure of schools etc.

c/w 19: further easing of lockdown

c/w 38: new infections >2,000

c/w 5: first infection in Germany

c/w 13: beginning of lockdown

c/w 32: new infections >1,000

c/w 45: new lockdown

— Internet traffic   — Calender week

KPI

	2020
Electricity consumption kWh/terabyte	27.2
Greenhouse gas intensity kg CO_2e/terabyte	8.2
Share of renewable energy in %	69.5

In its efforts to achieve the sustainability goal of CO_2-neutral network operations, the Commercial Procurement department is preparing to migrate to wholly green electricity in 2021. A new energy audit was initiated to realise additional energy optimisations.

Our electricity consumption for network operations and data centres is as follows:

Energy in MWh

	2017	2018	2019	2020
TC Group	33,026	32,570	30,538	**29,515**
TC networks	25,588	25,404	23,183	**22,897** [3]
HLkomm networks		68	85	**677** [4]
Data centres	6,866	7,166	7,257	5,701
ANTEC networks			13	13

If we divide the total electricity consumption of our networks 6.4 kg of CO_2 per terabyte. If we calculate the greenhouse gases of all by the volume of transferred data, energy consumption per terabyte comes to 27.2 kWh. From a market-based perspective in consideration of the low-CO_2 energy procured by Tele Columbus Group, this equates to energy sources purchased by Tele Columbus, one terabyte of transmission using our optical fibre networks produces 8.2 kg of CO_2.[2]

[2] Not including data centres and grid loss.

[3] Electricity consumption of stores and office buildings is reported separately for the first time in 2020; in previous years, these figures were reported as part of TC networks. In a like-for-like comparison with the previous year, 1,030 MWh would be added to TC networks and 11 MWh to HLkomm.

[4] Deviation from previous year due to re-assessment of major technology centres in the HLkomm network. 84 t CO_2 (LFL) according to previous calculation method.

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Energy consumption office buildings and stores

Energy in MWh	2020
TC Group	1,030
HLkomm	228

Operating data centres

The business customer division PŸUR Business (HLkomm Telekommunications GmbH) operates two of its own data centres. Besides the new Leipzig data centre, PŸUR Business took over a second data centre in the Mahlsdorf district of Berlin at the end of the year. The Berlin data centre was operated under the stewardship of the previous owner up to the end of 2020, which is why it is not included in our carbon footprint. HLkomm has ensured that energy consumption will be covered solely by renewable sources from 2021. HLkomm continues to operate data processing facilities at rented data centres in Leipzig. All areas for which HLkomm is responsible for electricity procurement are included in the consumption table.

The two PŸUR Business data centres offer outstanding energy efficiency. The PUE (power usage effectiveness) value is calculated for the data centres as the value that occurs when the data centre is operating at its planned capacity. The PUE value is an indicator that describes the ratio between the energy used by a data centre compared to the energy delivered to the customer servers housed there.

Data centre Berlin: 1,800 m^2, PUE value 1.4

Data centre Leipzig: 1,400 m^2, PUE value 1.2

Air conditioning

The new data centre in Leipzig uses an air-to-air cooling system for the purposes of air conditioning. Air-to-air cooling is a form of direct ventilation cooling where warm air is taken from the IT room and cooled down through an air-to-air heat exchanger using cool air from outside. This method of air conditioning does not require the use of harmful fluorinated greenhouse gases.

Mobility

Much of the mileage covered by car is due to customer service and customer contact. Some of the journeys are unforeseeable, and not all destinations can be easily reached by public transport. Also, cars are essential for technical field staff. Vans are used to troubleshoot line routes, with tools and spare parts also having to be transported in case a repair is necessary. Another factor is that many employees have to travel between the two biggest company locations, Berlin and Leipzig.

The Group's early response to implementing systematic hygiene measures to combat the COVID-19 pandemic also left a mark. The vast majority of business meetings were conducted virtually. By mid-March, many employees had already taken the opportunity to work from home.

Travel between the two major locations in Berlin and Leipzig practically came to a standstill.

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In 2020, only 231,381 kilometres were covered by rail, which is roughly a quarter of the figure reported in the previous year. Of this amount, 215,003 kilometres were travelled on Deutsche Bahn's national network, which generates zero CO_2 emission. A further 16,378 kilometres were covered on Deutsche Bahn's local network, resulting in 0.79 t CO_2 being released. Employees who need to travel are issued with a Bahncard Business to encourage as many trips to be made by rail as possible.

Contact restrictions in relation to measures to combat the pandemic caused a substantial decline in mileage covered by car in 2020 of 1.7 million kilometres. The restrictions mainly impacted sales, whereas service and logistics vehicles remained on the road. The vehicle fleet covered 6.73 million kilometres in total (previous year: 8.41 million kilometres), causing CO_2 emissions of 1,269 tonnes. CO_2 emissions per kilometre remained largely on par with the previous year at 188 grams (previous year: 189 grams).

Only 583 business trips were made by air in 2020, down from 2,194 in 2019. Mileage covered by air therefore declined significantly from 1.05 million kilometres to just over 317,000 kilometres. Associated CO_2 emissions fell from 324 tonnes to 84 tonnes. Tele Columbus AG offset the CO_2 emissions from its air travel using a carbon certificate for the first time in 2020. An external service provider is responsible for gathering information on, and recording, total mileage.

Hardware recycling

The supplied customer hardware is returned to us after the contract expires. To make full use of the expected service life and thus reduce electronic waste as much as possible, the used hardware is examined, cleaned and returned to customer circulation. The quantity of reprocessed customer hardware declined in 2020, although the reconditioning rate remained unchanged at around 70%.

Along with customer modems and DVB-C receivers, items such as smartcard modules, CI cards, remote controls, mains adapters, hard drives and connecting cables were reconditioned. Just under 39,000 modems and 18,000 DVB-C receivers were reconditioned in this manner in 2020. Calculated right down to the last cable, the number of reconditioned components declined from 531,640 to 288,233.

	2017	2018	2019	2020
Modems	7,200	18,000	64,000	**39,000**
DVB-C receivers		27,800	42,000	**18,000**
CI+ modules		7,800	14,500	**25,000**
Hard drivers		16	8,500	**1,300**
Total components			531,640	**288,233**

Due to the high quantity of reconditioned equipment in 2019, Tele Columbus began 2020 without any notable inventories. Another major reason for this trend was the roll-out of our new customer hardware, with new modem models being delivered to households in 2020. Demand for DVB-C receivers was able to be covered in 2019 through reconditioned devices. Due to its foresight in ordering devices and components, Tele Columbus was only affected by pandemic-related disruption to supply chains to a limited extent.

Devices that no longer qualify for use in customer households are preferably sold to secondary users. Due to the low number of returned devices, no devices or technical components were sold to secondary users in 2020 and none were scrapped either.

The renewal of customer hardware is set to continue in 2021. However, delivery periods both for network equipment and for customer hardware are significantly longer at the current time. Besides increasing inventories, customer premises equipment (CPE) reconditioning is also a significant factor in securing supply capabilities. The Logistics and Procurement CPE department is responsible for this.

ANTEC Servicepool GmbH in Hanover also operates in the customer hardware reconditioning sector: For 2020, it reported a reutilisation rate of 100% from a total of 120 device returns.

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High reconditioning rates cannot be attained with the technical components in our distribution networks. Defective components are repaired by the manufacturer within the warranty periods and returned to use as spare parts. Otherwise, the service lives of the technical equipment calculated by the manufacturers are fully utilised wherever possible. In the interest of maximum supply reliability, no reconditioned hardware is purchased.

Material purchasing

The Tele Columbus Group purchased new hardware for its end customers in 2020. Cradle-to-gate CO_2 emissions caused by the manufacturing process are reported in the carbon footprint.

Product Lifecycle Models

No suitable CO_2 emissions figures were available in relation to the manufacturing of the CI+ modules required to receive encrypted TV channels, meaning that the modules were not able to be considered in this regard.

The Logistics and Procurement CPE department is responsible for this.

CPE purchasing (unit)

	2020
Modems	150,000
DVB-C receivers	26,000
CI+ modules	50,000
Hard drivers	9,000

Significant quantities of coaxial cables of varying copper diameters as well as optical fibres with between 4 and 576 cores are required for the expansion and modernisation of our networks. Our approach in this regard is to calculate the CO_2 factor per metre of specific cables or cores. A total of 710 kilometres of cable material was taken into consideration. So far it has not been possible to reliably calculate the CO_2 equivalents from the manufacturing process for technical network equipment. As a result, this area of procurement is not included in the report.

The material used in the expansion of our networks is purchased through PŸUR Business.

Logistics

The logistics involved in delivering customer hardware resulted in 101.6 t CO_2. This figure does not include the CO_2 emissions from shipping and freight services.

Product usage

The use of our products results in the hardware we provide consuming energy in customer householders. These hardware elements include routers, cable models, WiFi extenders for telephone and internet services as well as DVB receivers or more-simple set-top boxes and CI+ modules used to receive digital television.

The calculations in this regard are based on the assumption that a modem is always operational. In terms of TV reception, the average viewing duration per household as calculated in the Media Authorities' Digitalisation Report is taken as the operating period. The remainder of the 24-hour period was included at the electricity consumption of the various devices used by customers when in stand-by mode. The assumed CO_2 factor per kilowatt-hour is the average figure of 427 g/kWh as calculated by the German Environment Agency. In total, product usage results in 22,840 t CO_2.

The Logistics and Procurement CPE department is responsible for this.

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Water and wastewater

No water is used in the sense of production-related consumption. Instead, water consumption is limited to the normal extent occurring in an office environment. No hazardous waste is generated either.

Carbon footprint

The carbon footprint is calculated on the basis of the GHG Protocol.

Rounded to tCO$_2$e

	2017	2018	2019	2020
Scope 1				
Vehicle fleet	1,727	1,908	1,630	**1,269**
Scope 2				
Electricity purchasing				
Location based	15,641	15,440	14,470	**10,217**
Market based	10,260	9,375	6,190	**5,623**
Scope 3				
Loss of power				**663** [5]
Flights		286	324	**84**
Journeys by train			3.5	**1**
Product usage				**22,840**
Material purchasing				**281**
Hardware purchasing				**13,562**
Logistics				**102**
Total				**37,533**
Climate certificates				**−84**

[5] Defra, UK Conversion Factors on T&D losses 2019

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| Employees

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Employees

A happy and motivated workforce forms the foundations for long-term success. The attractiveness of Tele Columbus as an employer is a key success factor for our company. The aim is to gain suitable employees for the Tele Columbus Group and retain them long-term by means of a positive company environment and good working conditions. Collaboration with the works councils and the Safety and Health Management team is another fundamental element that regulates Tele Columbus' dealings with its employees.

The main employers within Tele Columbus AG are Tele Columbus Betriebs GmbH, Tele Columbus Vertriebs GmbH, Radio-, Fernsehen- und Computertechnik GmbH (RFC for short) and HLkomm Telekommunikations GmbH. An overview of the scope of consolidation of all associated companies and subsidiaries can be found in the notes to the consolidated financial statements on page

Tele Columbus as an employer

At the end of the year, the workforce at Tele Columbus amounted to 1,203.8 full-time equivalents divided between 1,296 people. All employee issues are managed at Group level by the Human Resources department, which reports directly to the Management Board.
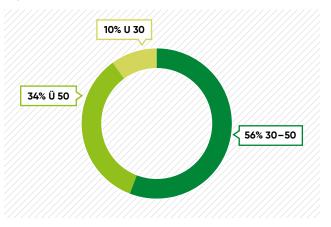
As a modern employer, we allow our employees flexibility in structuring their own working hours. Wherever possible, employees in all divisions have the option of setting their own clocking-on and clocking-off times within agreed time corridors. Work equipment is designed to enable remote working to maintain operating capacities almost without exception. Changes were made in 2020 to enable remote

working during the pandemic wherever this was not possible in the past.
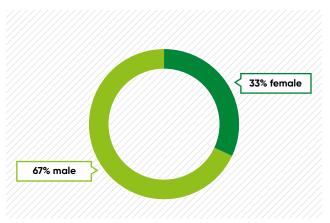
Remote working permanently possible

Against the backdrop of the coronavirus pandemic, an extensive hygiene concept was developed for working at Tele Columbus locations that also included regulations on working remotely.

Experiences with remote working in 2020 paved the way for a fundamental change to obligations for on-site working. The management and the Group works council unanimously agreed that remote working is advantageous for employees and also beneficial to the employer. The new "Remote working" Group works council agreement is designed to give employees greater autonomy in this respect and is expected to have a positive impact on employee satisfaction. Remote working gives employees greater freedom and fosters a positive work-life balance.

The agreement on remote working is therefore not linked to the pandemic, rather presents a permanent opportunity for employees to work remotely if they are able to and wish to. Employees should not work remotely for more than half of any given month, so that they can keep in touch with their colleagues and remain familiar with the business environment. Working remotely is voluntary. Employees must not be disadvantaged regardless of whether they choose to work remotely or not.

Age structure of employees as of 31.12.2020

10% U 30
34% Ü 50
56% 30–50

Gender ratio as of 31.12.2020

33% female
67% male

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| **Employees**

Employer attractiveness

Annual job satisfaction surveys have been conducted since 2018, with resulting measures being integrated into the capability, talent and people management programme. In 2020, the most important task was to integrate new employees into the company and their teams in the best way possible in a virtual manner on account of the pandemic. These measures are managed by the Human Resources department, which reports its results directly to the Chief Executive Officer.

	2018	2019	**2020**
Incoming staff	203	173	**194**
Outgoing staff	247	147	**148**
Turnover rate	14.7%	12.3%	**12.5%**

A total of 148 employees left our company in 2020, and 194 employees were recruited. The Human Resources department made increased use of social media channels as part of its recruitment activities. An employee referral scheme was also initiated, with employees recommending a friend or acquaintance for a job at the Tele Columbus Group receiving one additional day of annual leave if the person is recruited. A further financial bonus is paid if the recommended candidate completes their trial period.

Staff turnover in 2020 was on a par with the previous year at 12.5% (14.7/12.25%) – a solid figure in absolute terms and in an industry context. Onboarding events (Welcome Days) were organised virtually due to the pandemic.

By refining and optimising its onboarding process, Tele Columbus intends to set a course for long-term employee retention. The initial phase of any new employee is particularly important when it comes to further development and productivity. Employees' first few days at the company determine whether they feel welcome, are keen on collaboration and fit in well with the rest of the team and the company. Once employees have completed their first day at work, the onboarding process involves three feedback meetings during the trial period to facilitate a successful career start at Tele Columbus and identify any disruption at an early stage. In 2020, the situation was particularly challenging due to the low amount of employee presence at our locations. Nonetheless, there was nothing unusual about the early staff turnover or the overall staff turnover in 2020 as presented above.

The PŸUR Kultur programme injected some momentum into the establishment of a corporate culture with a common understanding of our values as a basis for collaboration. A market survey conducted in 2020 focused on the question of how well the PŸUR brand has been able to establish itself three years after its launch. According to the survey respondents, our brand is particularly associated with our corporate values of simplicity and fairness. Besides our advertising campaigns and designing of prominent advertising materials, for which our Marketing department is responsible, contact between customers and employees is the primary factor in shaping the brand image.

Perfect integration	Quality
of the job-related and social skills of the new employee together with the existing company culture and the team.	Mistakes can be prevented through internal measures and processes.
The benefit of a sound onboarding	
Decrease fluctuation	Transparency
Analyses show that the majority of decisions to cancel a job during the probation period already become clear at the first day of work.	The expectation of the new employee and his or her manager are communicated openly. This contributes to employee satisfaction and emotional bonding.

Employee satisfaction

Employees satisfaction and leadership quality are particularly closely linked. A 360-degree feedback system has been implemented as an additional feedback element for the management team and for directors. Under this system, managers are assessed by their employees in terms of how they embrace the brand values of efficiency, simplicity and fairness.

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An employee net promoter score (eNPS) is calculated annually to assess the success of the measures in establishing an efficient employee structure. The eNPS was calculated for the first time as a baseline in 2018 within the scope of an employee survey. Progress since then has been recorded in the form of surveys. As an example, the eNPS recommendation rate that defines whether someone would recommend the Tele Columbus Group to a friend or acquaintance as an employer has improved by five points. The total value across all of the questions (eNPS index) also improved, rising by 16 percentage points (previous year: +5 percentage points) between 2019 and 2020.

The marked improvement in sentiment is one particularly noteworthy aspect here. The greatest change was recorded in the question of whether employees are proud to work for PŸUR (+32 points). An increasing number of employees can envisage still working for the company in five years' time (+30 points). What's more, a growing of employees would recommend the Tele Columbus Group to their friends as an employer (+29 points). This means that considerably more employees were able to be acquired as employer promoters.

Employees believe that the Group ensures a high level of freedom from discrimination (71% agreement), significant creative freedom (55% agreement) and a friendly working environment (53% agreement).

HR development

The oft-mentioned shortage of specialist staff is also apparent at Tele Columbus. For this reason, HR development is increasingly important in order to present employees with attractive employment and development prospects through targeted training.

All Tele Columbus employees take part in annual employee meetings in which target agreements are concluded. In the context of the annual target agreements, individual training measures are part of the discussions between employees and their supervisors.

A total of 412 employees were approved to participate in training measures in 2020, and 4,703 training units were completed as a result. Female employees accounted for 42% of training courses and, considering that female employees make up 33% of the workforce, showed particular interest in further training. All employees have the opportunity to take part in training measures. [6]

Online training modules are also organised for the entire workforce, with progress monitored on topics such as compliance basis, protecting against corruption, data protection basics, handling information, working from home securely and hygiene concept training for returning to work safely. There was also a training course organised on the subject of fair competition, which was only aimed at one specialist department. 8,491 invitations were issued for the training,

and 7,508 employees successfully passed. This equates to 88.3% of employees completing the training. The gender distribution in online training is the same as the gender distribution for the workforce as a whole.

As a result, a further 3,203 training hours were completed through online modules. With employees spending a total of 7,906 hours completing further training, the extended range of learning qualification measures offered by the PŸUR Academy and other external service providers resonated extremely well among the workforce. On average, each employee completed 6.7 hours of training.

	2019	2020
Involved persons	3728	7920
Hours of training		7906
Hours of training per person/year		6,7

Occupational health and safety

Preserving health, preventing work-related illness and creating safe working conditions are the aims of the safety and health management system implemented under the stewardship of the Human Resources department.

Safety offices, fire safety assistants and first aiders are designed at the necessary locations and training in order to ensure safety in the workplace in the interest of optimum accident prevention as well as reducing the potential consequences of fires and accidents. An occupational safety com-

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[6] This includes subsidiaries that employ staff and are subject to the authority of Tele Columbus AG or rather employees over which Tele Columbus AG has management authority.

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mittee is in place at all main company locations as per Section 11 Sentence 1 of the German Occupational Safety Act (ASiG).

Occupational health care is provided by external service providers for health protection and occupational safety. All workers, including those who are not employees, are entitled to occupational medical care. These include consultants, self-employed people and freelancers whose work and workplace are influenced by Tele Columbus.

The Tele Columbus Group recorded 15 reportable workrelated accidents in 2020[7]. 13 of these accidents occurred at RFC GmbH, where activities in field service, network maintenance and assembly are subject to particular risks due to the assignment sites and nature of the activities. There was one road traffic accident in RFC's field service
that resulted in loss of life.

Work-related accidents in 2020

	Quantity
RFC GmbH	13
Tele Columbus Betriebs GmbH	1
Tele Columbus Vertriebs GmbH	1
Tele Columbus AG	0
ANTEC GmbH Hannover	0

RFC employees are in regular contact with power lines during their deployment, and also work on and repair cables and optical fibre lines on building sites and work in active road traffic environments. Employees' personal protective equipment includes safety boots, gloves, hivisibility jackets, safety goggles and ear protectors and is checked on a daily basis by the employees themselves. An independent expert is called in to check guardrails and safety barriers, measuring devices, ladders and steps on an annual basis. Due to the increased use of optical fibre technology, courses were organised in 2020 for employees to train as laser safety officers.

Accident categories

	Anzahl
Falls	5
Work with tools	4
Accidents while travelling	2
Power outage	1
LIft and carry	1
Other	2

In terms of the number of work-related accidents per 1,000 employees [8] the accident rate in 2020 was 13.6 and the number of lost work days totalled 259 days. One workrelated accident resulted in an extended period of incapacity of over six working weeks; this accident was recorded as lost time of 30 working days.

	2018	2019	**2020**
Accident rate/1,000 persons	14.3	8.7	**13.6**
Lost work days			**259**
Lost work days rate LTIR (200k hours)			**1.6**
LTIFR (1 million hours)			**8.1**

The company attempts to prevent health and safety incidents by offering annual occupation health and safety training (Section 12 of the German Occupational Health and Safety Act) to all employees and providing eyesight check-ups as part of routine company medical care. The aim of these measures, and of safety inspections and ergonomic workplace design, is to minimise adverse effects on employee health and safety. Occupational health and safety training was conducted as a compulsory online course in 2020 due to the pandemic. Tele Columbus locations were only partially staffed during the summer months in an effort to reduce contact between employees.

When working on site, employees were requested to present their electronic devices – and particularly mobile phone chargers and laptop chargers – for their annual examination (DGUV V3 – Electrical installations and equipment).

When awarding contracts to external service providers, particularly for assembly and underground construction work, the relevant contracts always include an obligation to comply with German accident prevention regulations and the German Employee Secondment Act (AEntG) as well as a separate agreement regarding adherence to the German Minimum Wage Act (MiLoG).

[7] Centralised recording of work-related accidents of all subsidiaries that employ staff and are subject to the authority of Tele Columbus AG, not including accidents on journeys to and from work.

[8] Suspended employment contracts are not included in the calculation of the work-related accident rate. 1.000-Mann-Quote (TMQ), similar to the recordable injury rate (RIR)

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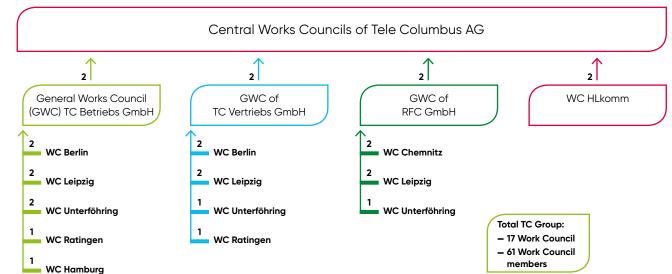## Collaboration with employee representatives

Numerous companies and locations of Tele Columbus AG have their own works councils. A Group works council is also in place.

The relevant regulations for occupational health and safety, including the German Workplace Ordinance (ArbStättV) and the German Working Hours Act (ArbZG) are intended to ensure safety and a minimum standard of working conditions for all employees. Tele Columbus companies are committed to ensuring these rights. Further regulations are agreed with the responsible employee representatives by means of work agreements and semi-formal works agreements. Tele Columbus respects employees' rights to organise themselves freely and negotiate collectively.

The works councils of Tele Columbus actively used their co-determination rights in 2020. This included involvement in the coronavirus emergency team, which organised hygiene concepts to break the chain of infection. Works council members were also involved in the Group works council agreement on internal tender procedures, the introduction of the employee referral scheme, the conclusion of a Group works council agreement on overarching project work and the "Remote working" Group works council agreement described in detail in the employee satisfaction section. Furthermore, the works council ensures critical support of software roll-outs.

Diversity and equal opportunities

Tele Columbus regards itself as a diverse and cosmopolitan company. Discrimination on the grounds of age, disability,

Structure of Work Council as of 31 January 2020

origin, religion, ideology, gender or sexual orientation has no place at Tele Columbus. The Group guarantees non-discriminatory behaviour at all workplaces and supports diversity throughout the entire company.

Instances of discrimination and personal attacks can be reported to the Head of the Human Resources department;

affected employees can talk in person to the staff of the Human Resources department. No instances of discrimination were reported in 2020. In the context of the 2020 employee survey, the statement that nobody in our company must fear disadvantages on account of their origin, religious belief or sexual identity was emphatically endorsed with the highest approval rate of all questions.

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| Employees

No raised risk of discrimination was detected in the assessment of the upstream value chain. Consequently, Tele Columbus has not submitted an anti-discrimination concept regarding this.

Work/life balance is important to Tele Columbus. In 2020, 50 employees took parental leave while 39 employees returned from parental leave. Bearing in mind that three employees were on parental leave for the whole of 2020, the return rate is currently 100%. All employees who returned from parental leave in 2019 were also still working for one of our companies twelve months after coming back.

Most employment relationships are full-time, with 95.6% of employees working full-time contracts. As at 31 December 2020, the companies had a total of 103 part-time agreements in place, predominantly with female employees who accounted for a share of 84%. The 1,296 employees employed as at the reporting date were equivalent to 1,204 full-time equivalents.

Before 2020, 22.5% of employment contracts allowed employees to work remotely. The Group works council agreement on remote working, which was resolved at the end of 2020, now allows all employees to work from home or remotely from other locations if the nature of their work permits them to do so.

As at the reporting date, the Group had 52 employees in a managerial role (previous year: 53). This figure includes the Management Board (CEO −0), the Managing Directors (CEO −1) and the Heads of Department with supervisory responsibility (CEO −2). The number of trainees at Group companies rose from 27 to 45. Tele Columbus had 44 employees with disabilities in the reporting year.
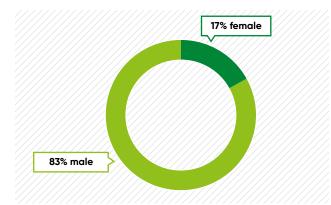
Comparing the average base remuneration of male and female employees with management responsibility at the respective levels of hierarchy, women earn between 95.8% (CEO −2), 89.6% (CEO −3) and 86.9% (CEO −4) of their male counterparts. No female staff are currently employed at management team level (CEO −1). Female employees without management responsibility earn 94.6% of the average target salary.

All base salaries were extrapolated to a full-time equivalent value for the purposes of this calculation. The effects of longer terms of service at the company or general professional experience were not investigated. Salary differences result from the different cultures and locations of the companies that now form Tele Columbus AG. These differences will not be permanent in nature within the current Tele Columbus Group. It makes no sense to assess the fairness of pay at different company locations because male and female employees do not work at the same levels of hierarchy at the smaller locations.
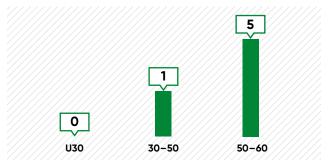
As the best-paid person at the company, the Chief Executive Officer of Tele Columbus earns 20.3 times the average salary of all other employees at the Group. Detailed information on management remuneration can be found in the remuneration report, which is part of the management report, from page 66.

The Supervisory Board comprises six members, one of whom is female. The Management Board has two members, both of whom are male. Further information on the participation of women in managerial posts can be found in the corporate governance statement as per Section 289a HGB.

Supervisory board – gender relation as of 31.12.2020

17% female

83% male

Supervisory board – age distribution as a diagram

| U30 | 30–50 | 50–60 |
| 0 | 1 | 5 |

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| **Compliance**

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Compliance

Tele Columbus pursues the aim of complying with applicable laws and regulations to prevent fraud and corruption effectively.

The Compliance team is part of the Corporate Governance department, which is responsible for implementing the legal and practical framework for managing and monitoring the company for the benefit of all relevant stakeholder groups. Corporate Governance is all about adhering to laws and regulatory requirements, implementing management and control structures and managing the company in a responsible, qualified and transparent manner.

The Compliance Officer is responsible for ensuring compliance with statutory regulations, regulatory standards and internal company guidelines. The Compliance Officer regularly reports to the Management Board and to the Chairman of the Audit Committee. Tele Columbus' main locations in Berlin and Leipzig were examined with regard to corruption risks. No significant risks were determined.

Tele Columbus has introduced a variety of instruments and measures, such as the Compliance Manual, training courses and discussion groups. Furthermore, the Compliance Officer is also available as a contact person for the legally compliant preparation of events and invitations. Eight local Compliance Coordinators act as contact persons at Tele Columbus locations.

The Compliance Manual applies throughout the Group and is available on the intranet. It informs employees and managers of the rules of conduct in line with applicable laws and guidelines. In addition, training courses tailored to the individual departments are another important measure for raising awareness of potential compliance risks and instilling a sense for the right conduct in delicate situations. Online training courses on the subjects of general compliance, protection against corruption, handling information and the principles of data protection are mandatory for all employees. The level of training among members of the Supervisory Board and Management Board, as well as among Managing Directors, stands at 100% and at close to 100% among the workforce.

In the past, our compliance measures have predominantly been focused on our own employees. We are currently in the process of expanding these measures to cover the upstream and downstream value chains. As part of these efforts, we have introduced a Code of Conduct to prevent violations of ILO core labour standards in the supply chain. In December 2020, we began organising online training courses for our sales partners.

Compliance breaches can be reported to the Compliance Officer or to an external ombudsman. Whistleblowers who wish to remain anonymous can make use of our confidential whistleblower system to pass on information and documents to an ombudswoman.

In 2020, our employees actively approached our Compliance Officer to inform themselves about our compliance regulations and ensure that they conduct themselves correctly when dealing with service providers and suppliers. Most of these enquiries related to event invitations.

A further element of the compliance management system is the Compliance Committee established in 2018. Its job is to identify compliance risks and examine the measures already established to reduce the respective risk and how effective these measures are. The Compliance Committee consists of the Compliance Officer and the directors of the Human Resources, Legal and Accounting & Tax departments, as well as the IT Security Officer, the Data Protection Officer and the Chairman of the Group works council.

Employee awareness successfully raised

Ongoing information measures regarding the tasks of the Compliance department have resulted in a high level of awareness among employees. In the employee survey conducted in November 2020, 88% (+3% year on year) of respondents said that they knew who they could go to if they had any compliance-related questions (e.g. regarding gifts and invitations). This chimes with the fact that the compliance team's work as part of the Corporate Governance department, together with the issue of sustainability management, was met with particularly high approval ratings in the annual employee survey, as was the case in the previous year.

Compliance cases in 2020

No suspicious cases were reported to the Compliance Officer in 2020. Six tip-offs were submitted to the external ombudswoman, none of which led to a compliance case.

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| **Compliance**

Monitoring supply chains

A Suppliers' Code of Conduct has been introduced to the supply chains as an element of our general terms and conditions. The Suppliers' Code of Conduct is part of a process of gradually establishing a common platform for all supplier agreements that precludes inhumane working conditions, ensures compliance with the ILO's social standards and sanctions any breaches of the Code of Conduct. No breaches of our Suppliers' Code of Conduct were reported in 2020.

Notes on political influence

Tele Columbus is involved in legislative consultation processes by invitation. We maintain memberships in interest groups and industry associations. These include ANGA – Association of German Cable Operators, BUGLAS – Association of Germany's Optical Fibre Industry, Breko – German Broadband Association, VATM – Association of Telecommunications and Value-Added Service Providers and other housing industry associations. As a rule, we do not make any donations to political parties or party-related foundations.

Tele Columbus AG