

MTH GROUP

CSR Report 2017



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CSR REPORT

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Sustainable productivity

As a group, we have contributed to the development of the Danish society through a period of almost 100 years. As a responsible player having a central position in the construction industry, we wish to contribute to sustainable productivity in construction and in the surrounding society.

What is built and constructed has a long life. The buildings and works must be of a high quality and have a long life and add value to clients and users many years ahead. But more than that. Construction and infrastructure projects to the standard typically delivered by us in the MTH GROUP may affect people and the environment both in the construction phase, through years of use, and when they

are one day to be renovated, renewed or demolished.

One of the top priorities of the MTH GROUP is the health and safety of the employees. Our vision is to reduce the number of accidents to zero as in our opinion, our employees have the right to return home safely to their families every day. In recent years, we have improved our accident frequency rate significantly through increased management attention, awareness and instruction in selected areas. We are happy to see that our efforts bear fruit, but we are also aware that further safety improvement requires constant management and that each employee must make a conscious choice to avoid accidents.

The construction industry will suffer a shortage of labour in the future, not least as foreign workers return home, and competition for the resources available will increase. Also for this reason, it is extremely important that we are on top of and monitor pay and working conditions. Partly to attract the best employees and partly to ensure that our subcontractors offer their employees decent pay and employment conditions.

We have actively chosen to focus on social dumping, for instance within the auspices of the Danish Association for Responsible Construction and through a campaign that we launched together with the City of Copenhagen at the beginning of 2018.

The modular construction company, Scandi Byg, has in 2017 been granted a basic licence to use the Nordic Swan Ecolabel on all standard modules it manufactures. Scandi Byg is thus the only company in Denmark that can deliver Nordic Swan Ecolabelled construction products. This measure is part of our wish to be able to advise on and deliver sustainable construction to the Group's customers and also concerns productivity-enhancing measures such as certified construction, total cost of ownership calculations, focus on energy efficiency and materials in buildings.

We will always strive to improve whatever and wherever we can, and in this report you can read about our efforts and progress, and how we integrate the principles of the UN Global Compact.

Torben Biilmann
President & CEO

Results 2017

- Accident frequency rate of 10.3 per 1 million man-hours (2016: 14.4)
 - 100% certified in accordance with the Occupational Health and Safety Advisory Services DS/OHSAS 18001:2008 (2016: 99% salaried employees/96% hourly workers)
 - Zero fines for competition law violations (2016:0)
 - 100% of new projects worth more than DKK 50 million screened for risks such as human rights (2016:100%)
 - 100% of local workers working on the Group's foreign projects all had freedom of association and the right to enter into collective bargaining agreements (2016:100%).
 - 8% of the employees must be employed in training posts (2016: 7.4)
 - Working with sustainability certifications on nine projects (2016: 6)
-

Policy and efforts

The Group defines corporate social responsibility on the basis of the common understanding of CSR as financial, social and environmental responsibility. In this report, we therefore use "Corporate Social Responsibility" (CSR) in the Danish version as in both a Danish and an international context (also in UN Global Compact), that is the common term for the overall social responsibility of businesses.

The Group's CSR strategy, policies and reporting apply to all employees of the Group, including the company MT Højgaard and its wholly-owned subsidiaries Enemærke & Petersen, Lindpro, Scandi Byg and Ajos.

The individual companies of the Group have their own CSR policies which reflect their individual markets, strategies and organisations. They may for instance cover social projects or local donations. As the group companies differ greatly in size and structure, they work independently with the areas based on what makes sense to the individual company. However, all CSR activities fall within the framework of the Group's overall CSR policies and related guidelines.

The Group wishes to further develop its corporate social responsibility efforts as a natural, important and integral element of its operations and activities.

The Group continuously ensures that its procedures and processes support the CSR poli-

cies and that all CSR policies and standards are integrated in the Group's in-house systems.

All employees and suppliers are informed of the Group's commitment to and guidelines in this area.

Below follows a review of the Group's policies and efforts within the strategic performance indicators. For each of those performance indicators, we will report first on the Group's policy and approach and then on our efforts.

The four strategic indicators are:

- Business behaviour
- Human rights
- The workplace and industrial relations
- Environment

The reporting format is based on the Global Reporting Initiative (GRI), which is an internationally recognised reporting system. More specifically, we report in accordance with the G4 Core level.

All indicators contain an assessment of the extent to which the performance indicator is answered relative to the GRI definition. A distinction is made between a response "in depth", i.e. the level of detail of the data, and "in width", i.e. how much of the Group is covered by data.

In the Appendix at the end of the report, additional information is available about the differ-

ent performance indicators, such as background data and other details.

BUSINESS BEHAVIOUR

The Group is committed to acting professionally, fairly and with integrity in all its business dealings and relationships wherever it operates. The Group values the importance of honest and ethical conduct.

ANTI-CORRUPTION

The Group strongly disapproves of any kind of corruption, including bribery, blackmail and facilitation payments.

The Group's CSR policy integrates the 10 principles of the UN Global Compact, including anti-corruption. This is directly underpinned by the Group's anti-corruption policy which lays down specific guidelines for employees, allocates the administrative responsibility and describes the internal procedures for mitigation and handling of cases of corruption.

Anti-corruption is considered important as corruption will have a negative financial and social impact both at Group level and in society.

The Group has therefore actively chosen to contribute to preventing and speaking out against any kind of corruption and actively supports the anti-corruption activities of third parties in relation to public authorities and

private stakeholders through dialogue with NGOs and other relevant associations and fora.

The Group regularly updates procedures which set the framework for its own as well as agents' and suppliers' transactions with representatives of public authorities, political parties and associated persons and organisations.

Group Management ensures that internal controls and audit procedures and other processes will also capture any indications of corruption. This includes random checking of projects, contracts and systems. The controls include financial, operational and technical matters.

The Group believes it is important that managers and other employees know the rules and follow the procedures which are designed to curb corruption. Therefore, we prioritise information, dilemma role-plays and management training in this subject on a regular basis, and we also have training programmes for relevant employee groups.

SO3

Analysis of risks related to corruption

Reporting for 2017

The Group randomly checked 10 new projects worth more than DKK 50 million. The random checks did not give rise to additional investigations or comments.

On the basis of previous years' confirmed incidents of corruption and risk analyses at both project and business unit level, there is assessed to be great openness in the projects. One of the reasons for this openness is the internal processes during the preparation of quotations and during project execution and the fact that dialogue and decisions are made in consultation with several participants, which reduces the risk of corruption.

Target 2018

- Analysis of existing base of experience compared with earlier risk analyses and proposals for corrective measures
- Determination of adverse impact level for head offices where the risk according to the CPI (Corruption Perceptions Index) prepared by Transparency International is the greatest

Initiatives in 2018

- Random check of projects
- Experience-based analysis
- In-depth due diligence of head offices with a high risk according to the CPI

Compliance rate

The reporting level for this indicator is 100% in width and in depth.

SO4

Training in anti-corruption policies and procedures

Reporting for 2017

Newly hired salaried employees in parts of the Group received instruction in the Group's anti-corruption policy and the internal procedures as part of their introductory course.

Likewise, information on confirmed incidents of corruption was given internally to the employees having focus on future prevention.

The few confirmed incidents of corruption show that single employees operated alone. It was therefore decided that employees having responsibilities or a function involving an increased exposure to or risk of corruption were to receive anti-corruption training.

Target 2018

- 90% of Group employees are to receive anti-corruption training and instruction in internal procedures
- All employees are to receive information on anti-corruption and the internal procedures

Initiatives in 2018

- Anti-corruption and competition law training for risk-exposed areas of work
- Anti-corruption and competition law training for employees at relevant level of management and new managers hired in the course of the year

- Distribution of information in the Group on anti-corruption

Compliance rate

The reporting level for this indicator is 50% in width and in depth.

SO5

Confirmed incidents of corruption and actions taken

Reporting for 2017

The Group had four confirmed corruption incidents.

Three of the incidents were fraud. The employees involved are no longer employed with the Group.

Moreover an agent hiring out labour attempted to make facilitation payment. The attempt was dismissed, and the Group's employees followed the internal procedures. The existing agreement with the agent was terminated.

One contract for a project was ended as a result of a corruption attempt.

Target 2018

- Zero incidents of corruption in the Group

Initiatives in 2018

- Reference is made to targets and initiatives under SO4

Compliance rate

The reporting level for this indicator is 50% in depth and 100% in width.

ANTI-COMPETITIVE BEHAVIOUR

The Group wishes to compete on fair and equal terms and will not engage in unfair and illegal activities such as price fixing causing market distortion and impeding free competition. Consequently, it is important to the Group to comply with all laws and regulations and to keep any errors, omissions and improper practices which may be contrary to laws and regulations to a minimum.

The objective is to capture and retain markets and customers by operating the Group in free competition with others, i.e. by offering services on competitive terms and complying with the competition rules in force from time to time. Consequently, all senior executives receive courses in applicable legislation and the Group's competition rules, and the rules are subsequently reviewed on a regular basis.

SO7

Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes

Reporting for 2017

No charges for anti-competitive behaviour were pressed against the Group.

Information material on the Danish Competition Act was prepared. In the course of 2018, relevant employees will receive instruction in the Danish Competition Act as part of their anti-corruption training.

Target 2018

- Retention of the ambitious target of zero charges against the Group for anti-competitive behaviour

Initiatives in 2018

- Instruction in the Danish Competition Act to relevant employees

Compliance rate

The reporting level for this indicator is 100% in width and in depth.

COMPLIANCE

It is important for the Group to comply with all laws and regulations in its operations. The Group thus continuously strives to keep any errors, omissions and improper practices which may be contrary to laws and regulations to a minimum.

Consequently, the Group finds it only natural to report on sanctions and fines received in the course of the year where the authorities have assessed that the Group has not complied with laws and regulations e.g. in connection with construction site supervision. This applies whether or not non-compliance is due

to errors or omissions and regardless of how serious they are.

The sanctions typically relate to unacceptable health and safety conditions at construction sites of the Group (e.g. inadequate fencing) which can, in most cases, be rectified immediately.

SO8

Non-compliance with health and safety laws and regulations

Reporting for 2017

The Group had two prohibitions and 47 immediate improvement notices and was therefore overall at a higher level than in 2016, where the Group received three prohibitions and 27 immediate improvement notices. One of the reasons was the intensified focus of the Danish Working Environment Authority on large public projects. The Group has been in close dialogue with the client and the Danish Working Environment Authority about the conditions at the relevant sites.

Two of the incidents were serious enough for the Danish Working Environment Authority to issue a prohibition. At the same time, the Group was given two fines by the Danish Working Environment Authority in connection with a prohibition back in December 2015 and an immediate improvement notice given in May 2017. Subsequently, measures were im-

plemented in connection with the fines to avoid similar incidents in future.

In 2018, the Group will continue its focused effort to secure against falls that was initiated in 2016, while at the same time directing attention to the layout of construction sites, including orderly and tidy conditions in communal areas and access roads, as these are the areas where the Group received 37 out of 49 prohibition notices and immediate improvement notices from the Danish Working Environment Authority in 2017.

The Group lodged a complaint against 12 of the 49 measures imposed by the Authority, as the Group did not believe that the necessary statutory basis existed for the Authority to impose those measures. We were successful in three complaints, one complaint was dismissed, and responses to the remaining eight complaints had not yet been received at year-end.

The Group's project managers and foremen are to improve their supervision to rectify working environment issues. They need to have intensified focus on stopping work in case of unsafe conditions and on setting things right. This combined with continued focus on attitude and behaviour will help reduce the number of measures being imposed by the Danish Working Environment Authority.

Target 2018

- Zero fines
- Reduce the number of prohibitions to zero, and then seek to maintain zero prohibitions
- Reduce the number of immediate improvement notices from 47 to 30

Initiatives in 2018

- Constant management focus at all levels; health and safety at work will be high on the agenda
- Focus on protecting against falls to prevent the risk of falls from heights, including focus on railing and fencing
- The layout of the construction sites, including overall planning to allow the work to be carried out in compliance with health and safety requirements. At the same time, the Group will have particular focus on access roads and order and tidiness.

Compliance rate

The reporting level for this indicator is 100% in width and in depth.

Delimitation and method

The target of reducing the number of immediate improvement notices requires the same level of activity as in 2017.

See the Appendix for more details on the method applied.

PRODUCT AND CERTIFICATION SCHEMES

It is important for the Group to have satisfied customers, including clients and users of the buildings and infrastructure projects delivered by the Group. For that reason, the Group conducts annual customer satisfaction surveys. Various significant parameters, including price-quality correlation, are measured, and the outcome of these surveys is used actively to improve the Group's business.

The Group is aware that large building and infrastructure projects, which constitute the majority of the project portfolio, may affect local surroundings, including neighbours and passers-by. In addition to general inconvenience, noise from construction work may also have an adverse impact on health, especially in case of long-term exposure.

Certain construction work will inevitably involve noise, vibration, etc. Together with clients, consultants, local authorities, subcontractors and neighbours, the Group strives to organise the construction processes with utmost consideration to the surroundings and on the terms which fall within the Group's control. This means that the Group involves and informs stakeholders, particularly neighbours, who are to live with the noise and other potential inconvenience during the process.

PR5

Customer satisfaction

Reporting for 2017

The overall customer satisfaction index score was 73 and thus increased by three percentage points from 2016.

The increase was predominant in the Group's building and infrastructure projects where there has been increased focus on following up on key action areas from mid-term measurements to end measurements to improve customer satisfaction.

As to customer loyalty, the overall index score was 75, which was on a par with 2016.

Target 2018

- Customer satisfaction score of 76
- Customer loyalty score of 76

Initiatives in 2018

- The Group has improved the follow-up procedure by emphasising the importance of measurements to project managers

Compliance rate

The reporting level for this indicator is 100% in width and 50% in depth.

Delimitation and method

All building and infrastructure projects worth more than DKK 2 million were included in the customer satisfaction surveys, and they were

conducted in Denmark and on international markets in Danish as well as English.

The surveys were conducted online with 20 questions to be answered on a scale of 10 which were converted to scores of 1 to 100 in the data processing (see Appendix).

The surveys were made midway through the project and upon project completion.

HUMAN RIGHTS

The Group's CSR policy incorporates the 10 principles of the Global Compact on human rights in the organisation as well as the activities. It does so, among other things, by requiring the Group as well as suppliers and other business partners to protect human rights.

INVESTMENT

The Group will not tolerate violation of international human rights. In order to contribute to the protection of human rights in projects in which the Group is involved, the tender documents will be reviewed systematically on all projects expected to be worth more than DKK 50 million.

The purpose is to ensure that the client's CSR requirements are handled and covered already in the tender phase and are communicated to the project organisation to ensure that the requirements can be extended to sub-suppliers. In addition, the purpose is to ensure that

the contracts do not contain clauses which are contrary to human rights and that compliance with human rights and other CSR-related issues is a top-of-mind concern.

When invitations to tender are being reviewed, all factors potentially relating to CSR requirements are considered, and this work is continuously expanded. The Group demands back-to-back agreements from suppliers in all tender processes (ed. general conditions are extended to the underlying subcontractor agreements).

HR1

Significant investment agreements and contracts with human rights

Reporting for 2017

100% of the contracts worth more than DKK 50 million were screened for CSR requirements. 101 invitations to tender were screened as opposed to 114 last year.

In the course of 2017, the construction industry was challenged even further by lack of labour. This means that on certain projects, the Group employed foreign labour in some parts of the country. Therefore, the Group set up an internal task force in 2017 to ensure that the labour-hiring firms used by the Group in fact do comply with relevant CSR requirements.

The Group also took part in the drafting of a standard screening tool to check pay and

employment conditions in the construction industry.

Target 2018

- 100% of contracts worth more than DKK 50 million are screened for human rights requirements.

Initiatives in 2018

- The screening of contracts will be extended concurrently with the development of the market and initiatives from clients
- Focus on how the Group ensures compliance with relevant CSR requirements when using foreign labour through a task force working across the Group

Compliance rate

The reporting level for this indicator is 100% in width and in depth.

Delimitation and method

All potential projects with a value of more than DKK 50 million are evaluated by the Group's Tender and Contract Board.

The Group considers the purchase of fixed assets or companies with a value above DKK 25 million as an investment object.

NON-DISCRIMINATION

The Group does not tolerate discrimination in any form. But the Group is also aware that discrimination may occur covertly and not

necessarily be brought to the Group's attention.

HR3

Discrimination and measures Reporting for 2017

The Group had no reported cases of discrimination.

When the Group completed its employee satisfaction survey in autumn 2017, there were indications that some of the employees felt either bullied or had received threats in connection with their work. In the course of 2018, there will be a follow-up on the employee satisfaction survey in the divisions where there have been indications of bullying or threats. However, the incidents were not reported.

We take the above incidents very seriously, and in 2018 the Group will continue to work with corporate culture and with ensuring that the employees at the sites can feel safe by implementing all necessary safety measures.

Target 2018

- Zero incidents of discrimination

Initiatives in 2018

- Focus on employee culture in communications

Compliance rate

The reporting level for this indicator is 100% in depth and 50% in width.

Delimitation and method

The data reported does not include local workers working on foreign projects and employees of the Lindpro subsidiary Arssarnit.

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING AGREEMENTS

The freedom of association and collective bargaining is a quite fundamental principle which is respected and valued by the Group for all of its employees.

The Group is committed to having and has a constructive and efficient collaboration with trade unions and other employee representatives.

The Group complies with all relevant collective bargaining agreements in countries where the Group operates. The Group also requires subcontractors to comply with all relevant collective bargaining agreements and to provide documentation of compliance.

The Group continuously monitors compliance with collective bargaining agreements at the construction sites and requires subcontractors to rectify any breaches of collective bargaining agreements. Any failure to do so will result in termination of the relationship.

The Group has also participated in the preparation of an industry standard tool to check these conditions, which the Group also uses in practice.

When the Group uses foreign subcontractors on a project, the subcontractor agreement must include a special condition that they are to comply with current legislation on registration in the Register of Foreign Service Providers (RUT).

All supervisors in the Group are obliged to undergo an in-house supervisor training. During the training courses, our supervisors learn about the terms of the industry's collective bargaining agreements to enable the employees on the projects to ensure that they are being complied with at the sites – both by the Group and subcontractors.

The screening of new suppliers with a contract price of more than DKK 1 million outside Europe (see HR10) includes the parameter of collective bargaining agreements and freedom of association.

HR4

Collective bargaining agreements and freedom of association

Reporting for 2017

Local workers working on the Group's foreign projects all had freedom of association and the

right to enter into collective bargaining agreements.

In the course of 2017, the Group also prepared information material for subcontractors and their employees. This material will be implemented at the sites in the course of 2018.

Target 2018

- All contracts outside Europe worth more than DKK 1 million to be screened

Initiatives in 2018

- Distribution of information material to subcontractors
- The screening of contracts will be extended concurrently with stricter client requirements and initiatives from clients
- Focus on how to ensure compliance with relevant CSR requirement by using foreign labour through our task force work across the Group

Compliance rate

The reporting level for this indicator is 100% in width and in depth.

Delimitation and method

In for instance Denmark, Iceland and Greenland where pay and employment terms are laid down in a general collective bargaining agreement covering the industry, the Group follows the agreement through membership of the relevant employers' association rather than individually agreed collective bargaining agreements.

CHILD LABOUR AND FORCED LABOUR

The Group will not tolerate forced labour or child labour in its own companies or at sub-suppliers.

In Denmark, there is a risk of forced labour when foreign labour is hired through agencies. This is a factor of which the Group is aware and which is unearthed by a task force as mentioned in HR1 "Significant investment agreements and contracts with human rights".

There is also a risk of forced labour in other parts of the world where the Group operates. Here it may occur, for instance when migrant workers are to deposit identity papers with the employer, thus restricting their right to free movement. In those countries, the Group has constant management focus on the problem.

The screening of new suppliers with a contract price of more than DKK 1 million outside Europe (see HR10) includes a screening for child and forced labour.

HR5

Child labour and forced labour

Reporting for 2017

The Group recorded zero incidents of child labour and forced labour.

Target 2018

- All new supplier agreements outside Europe worth more than DKK 1 million to be screened

Initiatives in 2018

- The screening of contracts will be extended concurrently with stricter client requirements and initiatives from clients
- Focus on how the Group ensures compliance with relevant CSR requirements when using foreign labour through a task force working across the Group

Compliance rate

The reporting level for this indicator is 100% in width and in depth.

FORCED OR MANDATORY LABOUR

The Group will not tolerate forced or mandatory labour in its own companies or at sub-suppliers.

Forced or mandatory labour is rare in Denmark where the majority of the Group's activities takes place. In return, the risk may be greater in other parts of the world. In areas where the Group is operating, there is great management focus on compliance with CSR requirements with respect to forced or mandatory labour.

HR6

Risk of forced or mandatory labour

Reporting for 2017

The Group recorded zero incidents of forced or mandatory labour.

Target 2018

- All new supplier agreements outside Europe worth more than DKK 1 million to be screened, see HR10

Initiatives in 2018

- The screening of contracts will be extended concurrently with stricter client requirements and initiatives from clients

Compliance rate

The reporting level for this indicator is 100% in width and in depth.

Delimitation and method

The screening applies to all new suppliers with a purchasing volume above DKK 1 million and geographically located outside Europe.

SCREENING OF SUPPLIERS FOR HUMAN RIGHTS

The Group wants to make sure that the internationally recognised human rights as expressed in the UN Guiding Principles on Business and Human Rights are observed by business partners and suppliers. As a result, the Group focuses on ensuring that new sup-

pliers fulfil these requirements and on avoiding potential as well as actual adverse impact on human rights.

The Group will only contract with direct contractual partners/suppliers who observe the law in countries where they operate and who support and respect the internationally recognised human rights principles.

The Group believes that the highest risk of an adverse impact on human rights exists in countries outside Europe and, as a result, the Group screens all new suppliers outside Europe in connection with contracts worth more than DKK 1 million.

The Group acknowledges that all businesses may have an adverse impact on human rights, and the Group will continuously map out business partners and suppliers which are used in connection with the Group's completion of projects in its effort to prevent and remedy any adverse impact on human rights.

HR10

Screening of new suppliers using human rights criteria

Reporting for 2017

The Group has completed four screenings of suppliers. The screenings verified that the suppliers complied with the human rights.

The number of screenings reflects the Group's existing activity level abroad and the projects' repeated use of suppliers already screened.

The Group has prepared a new Supplier Code of Conduct which reflects the requirements of the UN Global Compact and the UN Guiding Principles on Business and Human Rights. The final implementation and the related Supplier Assessment will take place in Q2 2018.

The Group has constant focus on pay and employment terms at the construction sites. This has resulted in a due diligence process to handle pre-screening before entering into partnerships, documentation structure in accordance with the national rules and regulations as well as on-site control of the construction sites.

All collaborative partners delivering foreign labour are screened and approved on the basis of this screening process. The Group cooperates with the relevant employers' associations and trade unions.

Target 2018

- 100% of the Group's new suppliers are screened for human rights

Initiatives in 2018

- Preparation of a risk/mitigation report for all suppliers. This report will form the basis of the final selection of risk suppliers and risk areas in 2018

- Pay and employment terms will continue to be a priority area, and the screening will be performed in connection with new collaborative partners.

Compliance rate

The reporting level for this indicator is 100% in width and in depth.

Delimitation and method

The screening covered all new suppliers outside Europe with a purchasing volume above DKK 1 million.

THE WORKPLACE AND INDUSTRIAL RELATIONS

As a leading construction and civil engineering company in Denmark, the Group has influence on several affairs relating widely to the labour market. It also applies – but to a lesser degree – in other countries where the Group is delivering construction and infrastructure projects.

The influence and responsibility is more specifically linked to the many different workplaces which the Group creates, in particular at construction sites. With many employees in a variety of different companies, industrial relations are a key focus area.

EMPLOYMENT

The workers are a vital resource, and the Group therefore finds it important to focus on the workers who join and leave the company.

At the same time, recruiting new staff is expensive, and therefore, the Group is constantly thinking of ways to retain competent employees. The Group retains employees by focusing on job satisfaction and motivation, and this is the reason why the Group has decided to also report on the employee satisfaction survey, which is conducted every other year.

As it is important for the Group to secure qualified labour for future projects, the Group wishes to contribute to securing the labour force of tomorrow. Consequently, the Group offers office apprenticeships and apprenticeships within different trades and engineering and construction traineeships for statutory trainee periods as well as internships.

The Group participates actively in initiatives through the Danish Association for Responsible Construction, among other things to ensure that the provisions of the social clauses on work and training are relevant and reasonable.

LA1

New employee hires and employee turnover

Reporting for 2017

In 2017, the total employee turnover for salaried employees in the Group was 24% as opposed to an employee turnover of 20.6% in 2016. One of the reasons is that more people were employed as student assistants on temporary contracts in 2017 than the year before.

A few of the companies belonging to the Group experienced an increase in employee turnover in 2017, among other things because of a lack of work in parts of the country. However, the Group was in a position to offer employment other places in the Group.

The Group also saw an increase in new hires and terminations among its hourly workers. This is the result of many large projects having had employees on piece-work contracts. This tendency is also supported by the average length of service of the terminated hourly workers being 0.32 years in Denmark.

In the autumn of 2017, the satisfaction of the Group's employees was measured and scored 77. This is an increase of three percentage points, and the Group thus achieved its long-term target of a score of 76. The Group wishes to keep this score by continuing to focus on the Group employees knowing the overall objectives and having decent working conditions, both at the offices and construction sites.

The Group also had focus on the on-boarding process through implementation of the first part of a new HR system and a talent programme at IMD for young managers. The latter as part of employee retention and to establish strategic direction. This is detailed in LA9 "Number of Hours of Training per employee".

Training posts

8% of the Group's employees was employed in training posts, which meant that the target of 7% training posts had been achieved.

In certain parts of Denmark there is a shortage of apprentices. Moreover, new rules on training agreements were introduced with effect from 1 January 2018, which means that there will be fewer apprentices in the Group as a company will no longer be allowed to offer more than two training agreements to the same apprentice.

Two of Lindpro's apprentice electricians have also participated in the campaign of EEO, the organisation for students engaged in vocational and educational training, in autumn, to act as role models meeting several hundred students from 8th and 9th grade.

The Group participates in the works panel of the Confederation of Danish Industry and is active in the work of the apprenticeship unit under the Capital Region of Denmark where the goal is to secure apprenticeships across schools and businesses, using for instance training agreements. This serves to extend the co-operation with various educational institutions.

The Group offers internships for students at schools offering basic vocational education and training. These are students who find it difficult to complete the basic training course of vocational education without special sup-

port and refugees who will be given a way into the Danish labour market. The Group takes them on as apprentices at the construction sites, thereby giving them an opportunity to complete a basic training course later on.

The Group is also represented in the Regional Labour Market Council (RAR) of the Capital Region. The work consists in creating a common knowledge base for both the Council, the local authorities and other players on the labour market in relation to the regional employment policy and action - and thus in better understanding, developing and coordinating the action required at a regional level.

Target 2018

- Reduction by no more than 5% of the total employee turnover rate for salaried employees in the Group. This equals the industry average. This is a realistic level for the Group because of its size and matches in terms of employees to the number of projects that the Group expects to have for execution in 2018
- 7% of the employees must be employed in training posts. The target is set to tackle the shortage of qualified labour as only few choose vocational education which is relevant for the Group. Therefore, the target cannot be achieved unless the vocational schools have enough relevant apprentices

Compliance rate

The reporting level for this indicator is 100% in depth and 50% in width.

Delimitation and method

The employee turnover rate is calculated for salaried employees. This group also includes employees on fixed-term contracts such as trainees, interns, student assistants, short-term/project workers and consultants, who were all employed for a fixed term of typically six months to a maximum of two years. In the report for 2018, these groups of employees will not be included.

The target for 2018 applies exclusively to salaried employees as the number of hourly workers varies across the year because of seasonal work and depends on the number of projects which the Group is working on. The Group is currently implementing a new HR system which will help remedy the problem of the number of hourly workers in the long run.

The indicator does not include employees employed abroad under a local contract and employees employed with Lindpro's subsidiary Arssarnit.

Training posts are defined as apprentices, interns and trainees at construction sites and in administrative functions.

HEALTH AND SAFETY AT WORK

The Group insists that it must be safe to go to work and thus systematically works to improve safety at the construction sites. The vision is zero accidents.

This vision means that everybody from top management to hourly workers have a mutual obligation to work constructively and openly to prevent any accident in all phases of the project. The Group makes a targeted effort to create a safety culture where everyone takes responsibility for a safe working environment and takes care of themselves and others.

The Group's top management undertakes through leadership to anchor a strong safety culture throughout the entire Group and to ensure that the Group's general working environment is constantly improved and is a priority regardless of the work carried out by the Group.

The Group is certified in accordance with the Operational Health and Safety Advisory Services DS/OHSAS 18001:2008. This means that the Group focuses its efforts on increasing the employees' health and safety awareness every day.

LA6

Health and safety at work Reporting for 2017

Health and safety at work is at the top of the agenda throughout the Group. Overall, the Group saw a drop in the accident frequency rate and achieved an accident frequency rate of 10.3. This is an improvement from 2016, and all companies achieved the target of a maximum accident frequency rate of 14.

The Group had no fatal accidents. The accident frequency rate was still well below the industry average.

GENERAL FIGURES

	2015	2016	2017
Accident frequency rate (accidents per 1 million working hours)	17.6	14.4	10.3
Occupational accidents resulting in absence from work	110	94	70
Working days lost	941	1.217	763
Absenteeism rate in connection with occupational accidents	1.1	1.4	0.9

The accident frequency rate for salaried employees was zero both in Denmark and abroad. The accident frequency rate for hourly workers in Denmark was 18.6, whereas the figure abroad was 6.6 and a total of 16.5.

The Group had a fairly good drop in the number of accidents and in the accident frequency rate for hourly workers. The rate of absenteeism also fell as a result of fewer serious occupational accidents resulting in a long period of absence from work.

Almost half of the Group's accidents and a large part of the near-miss accidents were owing to lack of attention to the layout of construction sites, e.g. no railing or poor and untidy access roads as well as poor planning

of the work. This is on par with 2016, but as the number of occupational accidents fell overall, the number within these areas also fell. This is because of the constant focus throughout the Group on these areas, and the initiatives in 2018 will continue to concentrate on those areas.

The Group recorded 190 near-miss incidents, compared with 171 in 2016. At MT Højgaard a total of 579 observations were recorded, compared with 510 in 2016.

The Group held two health and safety weeks and rolled out an online safety introduction in parts of the organisation which all employees are to complete every year. The introduction will be rolled out to other employees of the Group in 2018.

The Group will continue to intensify its efforts in 2018 to maintain the positive development in the accident frequency rate and sets an objective of achieving a maximum accident frequency rate of no more than 10.

Target 2018

- Reduce the total accident frequency rate to a maximum of 10

Initiatives in 2018

- In 2018, the Group will introduce a mandatory health and safety course for all new employees

Compliance rate

The reporting level for this indicator is 100% in width and in depth.

Delimitation and method

As the Group is not responsible for health and safety at subcontractors, the data reported did not include subcontractors.

See the Appendix for more details on the method applied.

CRE6

Internationally recognised health and safety management system

Reporting for 2017

In February 2017, E&P Service, which is part of Enemærke & Petersen, was certified in accordance with the OHSAS18001:2008 Occupational Health and Safety Advisory Service which meant that the Group achieved its target of 100% of its employees working in accordance with the OHSAS18001:2008 Operational Health and Safety Advisory Service.

Target 2018

- 100% of the employees must be working in accordance with the DS/OHSAS 18001:2008 Operational Health and Safety Advisory Service

Compliance rate

The reporting level for this indicator is 100% in width and in depth.

Delimitation and method

Independent suppliers did not work under our health and safety certificate and consequently the data reported did not include those suppliers.

TRAINING AND EDUCATION

Training is an investment in the future, and therefore the Group continuously allocates many resources to skills development.

The Group's need for relevant specialist expertise and competent employees also implies focus on further training at all employee levels.

The Group has its own in-house project management training programme. The purpose of the training programme is to train contract managers, project managers, project directors and production managers in the methods and tools used by the company in management of the projects.

Moreover the Group has tremendous focus on the education of managers through the internal management training programme "Your Leadership" in MTH GROUP.

LA9

Hours of training per employee

Reporting for 2017

The Group had an average of 12 course hours per employee among both salaried employees

and hourly workers. The target was 10 hours of training per employee.

In part of the Group, an online safety introduction on health and safety at the construction site was introduced to all foremen and hourly workers to improve health and safety at work. The course is mandatory. The course means that course hours per employee exceed the target.

The course is expected to be released in other parts of the Group in 2018.

The Group is implementing a new ERP system and a new HR system as well as new digital tools. This has brought about a need for training in change management and in the system. In 2018 large parts of the systems will be implemented and thus, there will be training activity in the use of the systems.

The Group launched a Management Talent Programme for young managers with funds from Knud Højgaards Staff Trust. In 2017, a total of eight talented managers of the Group participated in the programme. As a key element of the programme, the talented managers participated in a process, Building On Talent (BOT), at IMD which aims to enhance the participants' competencies in personal leadership and business sense, in particular within economy, strategy and innovation.

Three top managers have participated in the Break Through Program for Senior Executives

(BPSE) focusing in particular on how the top manager adds exceptional value to the business and ensures continued influence on the business in the form of sustainable change and solutions.

Target 2018

- 10 training hours per employee in the Group as this is realistic of what an employee can attend in the course of a year

Initiatives in 2018

- Training in the use of the new ERP system and the new HR system and digital tools
- New module in the Group's existing Management Training Programme consisting of change management and communication will start up

Compliance rate

The reporting level for this indicator is 100% in depth and 50% in width.

Delimitation and method

The data reported for hours of training is reported separately for salaried and hourly employees. The data is not complete as it is currently not possible to distinguish between employee categories in the in-house training course system of the companies. The hours are therefore manually estimated.

The in-house courses are typically registered in course days. Therefore, they are translated into training hours based on average hours of 7.5 hours per course day. The statement of exter-

nal courses is based on a manual count of the external courses known.

The data reported does not include employees employed abroad under a local contract and employees employed with Lindpro's subsidiary Arssarnit.

DIVERSITY AND EQUAL OPPORTUNITY

The Group does not tolerate discrimination. This also applies to working conditions and employment terms and women in management.

Gender, race, religion, etc. are therefore not a factor in the Group's recruitment, employment, training or promotion practices.

The Group actively works for equal opportunity, respect for diversity and a better gender balance at all levels.

The Group is convinced that diversity contributes to a greater understanding of customers' needs – and thus better solutions – as well as a better working environment.

One of the focus areas is that women must be placed on an equal footing with men in the recruitment for executive positions and in their career opportunities after maternity leave.

The Group contributed to the campaign "Leave - take it as a man". The campaign was a co-operation between the Danish Ministry for

Children, Education and Equal Opportunity and other large companies.

In addition, the Group took part in the Confederation of Danish Industry's soundboard on diversity. This work will continue into 2018.

Enemærke & Petersen has also worked on several renovation projects in exposed areas and in that connection actively tried to create jobs locally. Moreover the company has in several cases been successful in integrating employees on the labour market, for example from job and asylum centres.

LA12

Composition of boards of directions broken down by gender and managerial responsibility

Reporting for 2017

The share of women managers in the Group was 13%. There is still focus on the area, and in the recruitment of new employees for management position, it must be ensured that there is also always women candidates in the recruitment process if there are any qualified applicants.

WOMEN MANAGERS

	% Women managers 2016	Women board members 2016	Women managers 2017	Women board members 2017
Ajos	7	0	7	0
Enemærke & Petersen	15	33	15	33
Lindpro	6	33	5	33
MT Højgaard	17	33	18	33
Scandi Byg	19	0	15	0
Group	13	-	13	-

Five women managers have participated in IMD courses in Strategies for Leadership (SL) and Breakthrough Programme for Senior Executives (BPSE). The programme aims to strengthen women managers, in particular their skills in exercising influence, managing "upwards" and managing own career development and change in leadership role.

The Group's subsidiaries have not replaced their boards of directors in the course of 2017, and therefore, the targets for the number of woman directors to be achieved before 2020 have not yet been achieved.

Target 2018

WOMEN MANAGERS

	% Women Managers	Women board members
Ajos	8	33*
Enemærke & Petersen	15	33**
Lindpro	7	33***
MT Højgaard	20	33
Scandi Byg	19	33****
Group	15****	0

*The target for Ajos must be attained by the end of 2020.

**The target for the next general meeting in 2020 is that 33% of the members elected at the general meeting of Lindpro are women.

***The target for Scandi Byg must be attained by the end of 2020.

****The long-term target is to have the same gender balance among managers as among the total employee population.

Initiatives in 2018

- Focus on IMD Strategies for Leadership (SL) for women managers
- Ensuring women candidates in the recruitment process

Compliance rate

The reporting level for this indicator is 50% in width and 100% in depth.

Delimitation and method

The data reported does not include employees employed abroad under a local contract and employees employed with Lindpro's subsidiary Arssarnit.

See the Appendix for more details on the method applied.

ENVIRONMENT

The Group works to reduce the impact on the environment and the climate in the building processes at the construction sites and the day-to-day operation in general. A construction project has an environmental impact throughout the phases of its life - right from the production of materials over operation of the building to disposal and perhaps recycling of materials.

ENERGY

The Group aims to use renewable energy in project designs, if financially possible. This means that the Group has a focus on integrated design and on minimising energy consumption in the project.

As a direct consequence of more energy efficient projects, the Group contributes to reducing global warming by reducing emission of greenhouse gases.

The energy used is energy to heat up buildings, energy at construction sites and for transport.

As a minimum, the Group complies with Danish law in this area.

EN3

Energy consumption

Reporting for 2017

The Group used about 400,000 kWh less energy for new headquarters.

In the period, there was a redistribution of fuel consumption from heating oil to diesel which, in accounting, is attributable to consumption on machinery at the construction sites, and the quantity has previously been recorded as heating oil.

Direct energy consumption

The Group's direct energy consumption included fuels such as petrol, diesel, heating oil and natural gas and solar cells. Around 95% of the heating oil was environmentally friendly, whereas the corresponding percentage for diesel was 35%.

STATEMENT OF DIRECT ENERGY CONSUMPTION

	GJ	2016	2017
Fuel purchased			
Petrol		374	564
Diesel		105,678	110,228
Heating oil (delivered At construction sites)		11,707	6,196
Mileage in the service of the company using private cars			
Relative consumption		17,603	21,536
Heating			
Oil		663	665
Natural gas		6,870	6,795
Total direct energy consumption		142,895	145,984
Tons of CO ₂ -Equ.		10,930	10,443

INDIRECT ENERGY CONSUMPTION

TOTAL INDIRECT ENERGY CONSUMPTION FROM OFFICES (GJ)

	2016	2017
Electricity	15,394	11,943
District heating*		
	11,246	15,303
Total	26,840	27,246

*Knud Højgaards Vej and Husby Allé (MT Højgaard) have changed from gas to district heating, and has therefore changed its energy consumption from direct to indirect energy.

RELATIVE CONSUMPTION

	2016	2017
Total energy consumption relative to revenue (GJ/DKK million)	23.6	23.9
Total direct energy consumption relative to manpower hours in total (GJ/1,000 hrs)	20.6	25.8

AVERAGE MILEAGE/LITRES LEASED PASSENGER CARS

2015	15.8
2016	17.2
2017	23.1

The target of an average mileage/litres of 17 for leased passenger cars was achieved. In the future, focus transfers to yellow plate vehicles where there is a potential for improvements.

Target 2018

- Total energy consumption for the Group relative to revenue: 24 GJ/DKK million
- Total direct energy consumption relative to manpower hours in total: 25 GJ/1,000 hours
- Average mileage/litres for vehicles with yellow license plates: 17 kilometres/litre

Initiatives in 2018

- The Group will take initiatives to ensure better energy efficiency for transport in service trucks. This it achieved by an overview with good advice about energy efficient driving and possibly driving technique courses.

Compliance rate

The reporting level for this indicator is 100% in depth and 50% in width.

Delimitation and method

Reporting of direct and indirect energy consumption applies to the Danish activities.

The reports are deferred. For instance, the data reported for energy consumption at office premises covers Q4 2016 and Q1-3 2017 on several locations.

See the Appendix for more details on the method applied.

CRE1

Building energy intensity

Reporting for 2017

The Group experienced a minor increase in energy consumption from 2016 to 2017.

The share of district heating rose in the period, whereas the Group recorded a comparable drop in the share of electric heating.

The share of energy consumption represented by buildings and offices amounts to nearly a quarter of the Group's calculated energy consumption.

BUILDING ENERGY INTENSITY

	2016	2017
Energy consumption (electricity and heating) (GJ)	34,373	34,706
Total heated area (m ²)	59,915	60,171
Number of employees at the offices (heated areas)	1,668	1,609
Building energy use intensity (GJ/m ²)	0.57	0.58
Building energy use intensity (GJ/employees)	20.6	21.6

In the Group's new headquarters in Søborg, Denmark, the consumption has been reduced by one-third relative to the previous headquarters. The building has also put solar cells into service in 2017.

Target 2018

- Building energy intensity must be improved by 5% compared to 2017

Compliance rate

The reporting level for this indicator is 100% in depth and 50% in width.

Delimitation and method

The reporting includes the energy intensity of the Group's offices and manufacturing facilities in Denmark.

See the Appendix for more details on the method applied.

WASTE BY TYPE AND DISPOSAL METHOD

When the Group sorts its construction waste, it creates value. The Group saves raw materials, energy, money and reduces CO₂ emissions.

Properly sorted waste is of great value in relation to new products. Many of the products used by the Group in the construction industry are manufactured from raw materials sourced outside Europe. There is a large resource bank for new products if waste is separated and sorted. The Group is working to improve source sorting in order to support recycling via the manufacturers.

In addition to direct source sorting at the construction sites, the Group has taken the initiative to form a close collaboration with the waste carriers from offices and material sites. The Group has a limited number of waste carriers and has examined individual sites with a view to improve source sorting.

The Group also contributes to the industry initiative to develop a model for circular construction to not make demolition an expense in the future, but a source of revenue due to materials recycling.

The past decade has seen major developments in the construction product industry as far as materials are concerned, both driven by legislation and consumer demand, which is a positive trend in terms of recycling of construction product waste.

In concrete structures, concrete is used where parts of the cement have been replaced by recycled materials. Similarly, insulation materials also contain large amounts of recycled materials. According to the manufacturers' calculations, two-thirds of the Rockwool materials are recycled, while up to 80% of glass wool insulation consists of recycled glass.

Wooden products often come with a certification of sustainable production.

And when the recycled materials add value to a construction material, is where things start to get really interesting. It is important that recycling is not the same as depositing waste in construction materials, but that the recycled materials ultimately make the construction materials better and more sustainable.

The Group has agreements with certified waste carriers only.

EN23

Waste by type and disposal method

Reporting for 2017

The Group had higher revenue in 2017 compared to 2016. In particular renovation projects involving demolition and conversions result in increased waste generation. The total waste volume handled by the Group rose. In this context, the establishment of waste stations at the large construction sites had a significant positive effect. Waste stations were estab-

lished together with the waste carrier. The positive effect resulted in a speedier collection of waste and a far better waste sorting which thus contributed to increased recycling. The aggregate recycling percentage dropped by two percentage points which is due to several large PCB and asbestos renovation projects.

The volume of hazardous waste declined. The share of mineral wool for recycling increased, which is very positive. The volume of mixed waste increased.

The Group adopts circular principles in its approach to reuse and recycling. On the Circle House project (Circle House is the world's first social housing built according to circular principles), the Group has, together with clients, architects, consultants and manufacturers, found solutions that make economy and the environment go hand in hand. Together with the other parties, the Group has solved the construction waste challenges by finding solutions ensuring that the Circle House is designed for separation. About 90% of built-in material must be recyclable in future - without having lost quality or financial value. The first module has been erected as a dogma and will be exhibited in Aarhus. The module is to be incorporated in the final project, which will be put out to tender in 2018.

Both renovation and construction projects result in waste, which risks affecting the environment if not handled properly.

The Group has initiated a Ph.D. study on how life cycle analyses (LCAs) can underpin the implementation of circular economy in the construction industry. The Ph.D. project underpins UN's 17 new sustainability goals and is to contribute to making it possible for decision-makers to make choices on materials and their environmental impact on an informed basis.

At the offices of the Group toners are collected and returned to the supplier. At one company, they sort biological waste from the staff canteen for recycling as feed, biogas and fertiliser.

PERCENTAGE WASTE

Total percentage	2016	2017
Recycling (incl. reuse)	50	45
Incineration (or used as fuel)	24	30
Dumping	13	10
Mixed waste	13	15
Other (non-categorised)	0.02	0.04
Hazardous waste as a percentage of total, excl. soil	11	2

FINANCIAL HIGHLIGHTS

	2016	2017
Mixed waste as a percentage of total (excl. soil)	13	16
Percentage of mineral wool waste for recycling	10	96
Recycling as a percentage of total (excl. soil)	50	48

One company of the Group has with great success used young unemployed persons for waste sorting.

Target 2018

- The submitted volume of unsorted waste must be less than 10%.
- Increase the share of recycling to at least 60%

Initiatives in 2018

- Information to the Group's construction sites about sorting to increase the degree of sorting for recycling.
- Trials of big bags for collection of plastic at construction sites. In this way, the Group will draw attention to the volume of plastic used for packaging. This initiative must be taken together with the waste carrier.

Compliance rate

The reporting level for this indicator is 100% in depth and 50% in width.

Delimitation and method

For 2017, all activities of the Group in Denmark are included, but not abroad. The data reported for the period primarily includes statements from the waste carriers with which the Group has entered into co-operation agreements and which therefore handle the main part of the waste.

All waste figures exclude soil.

COMPLIANCE

It is important for the Group to comply with all laws and regulations. The Group continuously strives to keep any errors, omissions and improper practices which may be contrary to laws and regulations to a minimum.

Consequently, the Group finds it only natural to report on any sanctions and fines received in the course of the year. This applies whether or not non-compliance is due to errors or omissions and regardless of how serious they are.

EN29

Fines and sanctions for non-compliance with environmental laws and regulations

Reporting for 2017

The Group received no fines or penalties for non-compliance with environmental laws and regulations and were not involved in any cases referred for dispute resolution.

Target 2018

- Zero fines and sanctions

Compliance rate

The reporting level for this indicator is 100% in depth and 50% in width.

Delimitation and method

The reporting applies to the Group's Danish activities in 2017.

PRODUCT AND CERTIFICATION SCHEMES

Certification, rating and labelling schemes may be voluntary or compulsory. As a minimum, all of the Group's projects comply with regulatory requirements.

Voluntary certification, rating and labelling schemes are increasingly being used to verify processes and products. In the construction industry, they provide clients, lessors and owners with assurance that the buildings comply with measurable requirements with regard to environmental, economic and social aspects.

The Group has chosen to report on the number of voluntary schemes in the construction industry in which the Group's projects participate.

CRE8

Sustainability certification, accreditation and labelling schemes for buildings

Reporting for 2017

The Group worked on nine projects with sustainability certifications:

- Nordea Domicile East (LEED)
- Holmenveien Barnehage (BREEAM NOR)
- Valby Maskinfabrik (BREEAM International)
- Orbicon Domicil (DGNB)
- Hospital of Slagelse (DGNB)
- Hummeltoftevej (DGNB)
- Skt. Joseph Monastery (DGNB)

- B310 (DGNB without certificate)
- Data Centre (LEED)

Scandi Byg went through a process to ensure that their prefabricated panels can in the future be delivered as Nordic Swan Eco-labelled products.

Employees are continuously being trained in the completion of DGNB-certified projects. Also 16 new projects were screened.

Target 2018

- The Group must maintain its capabilities to deliver buildings which can be certified according to one of the three leading certification schemes DGNB, BREEAM and LEED

Initiatives in 2018

- The Group intends to increase the availability of knowledge on sustainability certifications and the communication of this knowledge. The purpose is to make sure that the relevant employees have enough information to secure the certification process at an early stage with customers and the project organisation.

Compliance rate

The reporting level for this indicator is 100% in width and in depth.

Delimitation and method

Until 2017, the Group has restricted itself to look at the four largest of the voluntary sustainability certifications - i.e. DGNB, LEED, BREEAM and the Nordic Swan Ecolabel

GRI Index



GENERAL STANDARD DISCLOSURES		Page	UNGC	Reporting		GENERAL STANDARD DISCLOSURES		Page	UNGC	Reporting	
				Width	Depth					Width	Depth
G4-1	Preface by President and CEO Torben Biilmann	3		●	●	G4-19	Aspects identified	22		●	●
G4-3	Name of the group	21		●	●	G4-20	Aspect boundary within the organisation	22		●	●
G4-4	Primary brands	21		●	●	G4-21	Aspect boundary outside the organisation	22		●	●
G4-5	Address of headquarters	21		●	●	G4-22	Restatements of information provided in previous GRI reports	22		●	●
G4-6	Countries where the organization operates	21		●	●	G4-23	Significant changes from previous reporting periods	22		●	●
G4-7	Ownership	21		●	●	G4-24	Stakeholder groups	22		●	●
G4-8	Markets served	21		●	●	G4-25	Basis for identification and selection of stakeholders	22		●	●
G4-9	Scale of organisation	21		●	●	G4-26	Approach to stakeholder engagement	22		●	●
G4-10	Employees	21	6	●	●	G4-27	Key topics and concerns that have been raised through stakeholder engagement	23		●	●
G4-11	Collective bargaining agreements	21	3	●	●	G4-28	Reporting period	23		●	●
G4-12	The organization's supply chain	22		●	●	G4-29	Date of most recent previous report	23		●	●
G4-13	Changes during the reporting period	22		●	●	G4-30	Reporting cycle	23		●	●
G4-14	Risk management	22		●	●	G4-31	Contact person	23		●	●
G4-15	Economic, environmental and social charters, principles, or other initiatives	22		●	●	G4-32	GRI content index	23		●	●
G4-16	Memberships of associations and advocacy organisations	22		●	●	G4-33	Revision	24		○	●
G4-17	Entities included in the organisation's consolidated financial statements	22		●	●	G4-34	Governance structure	24		●	●
G4-18	Process for defining the GRI report content	22		●	●	G4-56	Values, standards and principles	24	10	●	●



SPECIFIC STANDARD DISCLOSURES		Page	UNGC	Reporting	
				Width	Depth
Business behaviour					
SO3	Analysis of risks related to corruption	4	10	●	●
SO4	Training on anti-corruption policies and procedures	5	10	◐	◐
SO5	Confirmed incidents of corruption and actions taken in cases of corruption	5	10	●	◐
SO7	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes	5		●	●
SO8	Non-compliance with laws and regulations	6		●	●
PR5	Customer satisfaction	7		◐	●

Human rights				Width	Depth
HR1	Significant investment agreements and contracts with human rights	7	1, 2	●	●
HR3	Discrimination and measures	8	1, 6	◐	●
HR4	Collective bargaining agreements and freedom of association	8	3	●	●
HR5	Forced and child labour	9	4	●	●
HR6	Risk of forced or mandatory labour	9	5	●	●
HR10	Screening of new suppliers using human rights criteria	9	1, 2	●	●

SPECIFIC STANDARD DISCLOSURES		Page	UNGC	Reporting	
				Width	Depth
The workplace and industrial relations					
LA1	New employee hires and employee turnover	10		◐	●
LA6	Health and safety at work	12	6	●	●
CRE6	Internationally recognised health and safety management system	12		●	●
LA9	Hours of training per employee	13	6	◐	●
LA12	Composition of boards of directions broken down by gender and managerial responsibility	13		◐	●

Environment				Width	Depth
EN3	Energy consumption	15	7, 8	◐	●
CRE1	Building energy intensity	15	7, 8	◐	●
EN23	Waste by type and disposal method	16	7, 8	◐	●
EN29	Fines and sanctions for non-compliance with environmental laws and regulations	17		◐	●
CRE8	Sustainability certification, accreditation and labelling schemes for buildings	17	9	●	●

Complete ● Partially complete ◐ Inadequate ○

About the MTH GROUP

G4-17

The responses cover MT Højgaard and the four wholly-owned companies Ajos, Enemærke & Petersen, Lindpro and Scandi Byg. The partly-owned subsidiaries Greenland Contractors and Seth are not included in the report.

G4-3 G4-4 G4-7

The MTH GROUP is owned by the two listed companies Højgaard Holding A/S (54%) and Monberg & Thorsen A/S (46%). The MTH GROUP consists of:

- MT Højgaard, which delivers infrastructure, building and renovation projects and which is also the Group's parent company
- Ajos, which hires out machinery and equipment and advises on site layout
- Enemærke & Peterse, which delivers renovation and new building projects
- Lindpro, which delivers electrical installation and service
- Scandi Byg, which manufactures and erects pre-fabricated modular buildings

The Group also includes two partly-owned companies which are not covered by this report for 2017:

- Greenland Contractors (67%), which delivers all types of service within building and infrastructure operation and maintenance in the Artic environment.

- Seth (60%), which delivers hydraulic engineering projects in Portugal and Africa

G4-5 G4-6

The Group's headquarters are located at: Knud Højgaards Vej 7, 2860 Søborg, Denmark.

As of 31 December 2017, the Group had employees at permanent offices in:

- Denmark
- Faroe Islands
- Greenland
- Iceland
- The Maldives
- Vietnam

G4-8

The Group works at selected markets - geographically and in terms of skills. The Group serves both public and private customers.

- Denmark
- Civil works
 - Construction
 - Hiring out of machinery and equipment and advising on site layout
 - Electricity
 - Pre-fabricated modular buildings
- Faroe Islands
- Civil works
 - Construction
- Greenland
- Civil works

- Construction
 - Electricity
- The Maldives
- Civil works of construction
- Sweden
- Steel bridges

The Group's Vietnam office provides assistance with design projects to Design & Engineering in Denmark.

G4-9

- The Group is organised into MT Højgaard, four wholly-owned subsidiaries and two partly-owned subsidiaries
- The Group is primarily a project organisation

FINANCIAL HIGHLIGHTS

million/DKK	2015	2016	2017
Revenue	6,531	6,797	7,648
Results from ordinary activities	352	73	176
Equity	999	964	884

G4-10 G4-11

EMPLOYEES

	2015	2016	2017
No. of employees	4,125	4,211	4,132
Percentage of salaried/hourly employees	41/59%	42/58%	37/63%
Employee percentage in Denmark/outside Denmark	99/1%	98/2%	98/2%
Percentage men/women	88/12%	87/13%	88/12%
Percentage covered by collective bargaining agreements	62%	60%	67%

G4-12

See table at the bottom.

Procedure used to count the number of suppliers has changed to the effect that a supplier now only counts once across the entire Group. In the 2016 measurement, a supplier counted once for each company

G4-13

There have been no significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain.

G4-14

Read about the Group's risk management in the 2017 Annual Report page 15.

G4-15

Economic, environmental and social charters, principles, or other initiatives to which the Group subscribes or which it endorses:

- UN Global Compact, 2015
- Signed a charter for corporate social responsibility in the property, building and civil engineering industry in Denmark, 2014

G4-16

In 2017, the Group held memberships of associations and supports regional, national and international organisations such as:

- Aros Art Club
- Building Network
- The Danish Building Society
- The Dialogue Forum of the Danish Building and Property Agency
- Copenhagen Capacity
- DAC& Build

- DBU Club 100
- DI - the Confederation of Danish Industry
- Erhverv Aarhus
- Esbjerg Commercial Development
- The Danish Association of Sustainable Cities and Buildings (FBBB)
- The Danish Forum for Hospital Technology and Architecture (FSTA)
- Gate 21
- Green Building Council Denmark
- The Danish Society of Engineers (IDA)
- JUC - Social Housing
- Lyngbygaard Golf
- Moesgaard Museum
- Network Denmark
- Nordic Road Forum (NVF)
- Norwegian-Danish Chamber of Commerce
- Renovation on the agenda
- Water in Urban Areas innovation network

- Occupation
- Forced and child labour
- Compliance
- Energy
- Freedom of association and collective bargaining agreements
- Non-discrimination
- Investment
- Anti-competitive behaviour
- Suppliers and human rights issues
- Diversity and equal opportunity
- Product and certification schemes
- Risk of forced or mandatory labour
- Waste water and waste
- Training and education

The Group has not changed its previous reporting. The above analysis was performed in 2013/2014. In 2018, the Group will update its point of departure in terms of strategic CSR based on an internal and external stakeholder analysis. The point of departure will form the basis of an updated CSR reporting for 2018.

G4-18 G4-19 G4-22 G4-23

CSR subjects affecting the Group's internal and external stakeholders are selected. The management then put the GRI subjects in order of priority - the indicators separately and subsequently collectively. Simultaneously, a stakeholder analysis has been performed to illustrate which subjects the Group's stakeholders find relevant.

The Group has identified the following subjects:

- Anti-corruption
- Health and safety at work

G4-20 G4-21 G4-24 G4-25 G4-26 PR5

The Group's stakeholder groups consist of organisations, groups of persons or persons who can reasonably be expected to be substantially affected by the Group's activities and whose activities can conversely reasonably be expected to affect the Group's ability to carry on business.

SUPPLY CHAIN

Country	2016 DKK million	2017 DKK million	2016%	2017% 2016 Number*	2017 Number	2016%	2017%
Denmark	4,341	5,027	93	96	6,289	6,100	94
Other Nordic countries	67	56	1	1	123	87	2
Other EU member states	109	111	2	2	117	123	2
Rest of the world	142	45	3	1	187	93	3
Total	4,659	5,239	100	100	6,716	6,403	100

Below are listed the most important stakeholders identified by the Group:

- The owners are interested in the Group delivering good results and being operated sensibly. The dialogue with the owners goes through the board of directors
- The employees want an attractive workplace with a good working environment, exciting challenges and adequate earnings. The Group has a strategy providing the overall framework. Together with his or her superior, the individual employee decides how to carry out his or her duties within the strategic framework, and the superior and the employee jointly set performance targets for the employee
- The customers are interested in having their project completed at a reasonable price, time and quality. The Group conducts customer satisfaction surveys, the outcome of which the Group uses actively to strengthen its business

If the Group's work has consequences for e.g. neighbours or residents, the Group will also hold dialogue meetings at which the stakeholder can obtain information on any project, ask questions and make suggestions.

The Group strategy to increase productivity through the use of digital tools focuses on the customer. The customer is invited into the Group's VDC Labs to ensure increased buildability, healthy projects and to give the customer more options in the project

- The investors are interested in the Group being operated sensibly and delivering good results. The dialogue with investors takes place at investor meetings
- The subcontractors are interested in the projects running to plan as regards time and economy. The communication with the subcontractors takes place e.g. through contracts and at meetings, but also informally at the sites in connection with the daily work
- The collaborative partners may e.g. be consulting engineers, architects and suppliers. Dialogue with business partners primarily takes place at meetings. The Group is currently working on changing the existing co-operation model to allow the Group to enter the co-operation about the projects at an earlier stage and to increasingly share information about the project with the collaborative partners. This happens more and more often, among other things in the VDC Labs where the projects are developed in co-operation
- The authorities regulate the markets in which the Group operates, make demands on the Group and follow up on the Group's compliance with legislation. For example, legislation on health and safety at work, noise, the environment and the use of foreign labour
- The society in general is interested in the Group delivering good results, contributing to training of potential and existing employees, complying with legislation, maintaining jobs and paying taxes
- The local community is interested in the work being conducted in compliance with

environmental laws and regulations, in a way that does not cause noise or inconvenience and that the Group employs local staff or uses local subcontractors. The dialogue with the local community takes place at dialogue meetings, information for neighbours and consultation or enquiries

Via the Group's use of Urban VDC, it is possible already before a project becomes a reality to ensure the best solutions possible for the community during the course of the project as well as on completion of a project, e.g. in relation to traffic redirection, nature and gangways

- The media's interest in the Group covers the individual projects e.g. in the local community, and as an icon and the overall performance of the Group. The Group meets the media with openness and proactively, based on a wish to create a trustworthy and transparent image

G4-27

The stakeholder survey showed a number of tendencies:

Apprentices

By virtue of the Group's size, the Group is to take on more responsibility e.g. to offer apprentices and internships. The opinions on whether it should be offered through social clauses, compliance with collective bargaining agreements or voluntary agreements where the Group shows its interest and commitment to taking on social responsibility are divided.

Training posts are a key focus area of the Group. In 2017, the Group had 8% apprentices and interns.

Foreign labour

The Group is to observe Danish rules and make sure that its subcontractors do the same. The subject receives attention because of the risk of unfair competition and social dumping when using cheap and, by Danish standards, underpaid foreign labour.

More sustainability and CSR - not less

In the future it becomes increasingly important to behave in a responsible way as regards sustainability. Corporate social responsibility is expected to become an integral part of the activities of construction companies.

This is in line with the Group's wishes, which has resulted in an actual CSR organisation, increased focus and surveys.

More documentation and reporting

Several stakeholders assume that the expectations to the Group being able to substantiate its CSR behaviour will increase. The surrounding world will look at the Group's ability to meet expectations.

G4-28 **G4-29** **G4-30** **G4-31**
G4-32

The Group is reporting annually in connection with the presentation of its financial statements.

The reporting period runs from 1 January to 31 December 2017 unless otherwise stated. The last report was published on 16 February 2017. In 2017, the Group reports on GRI "In accordance" Core.

The GRI Index is available on page 18.

The contact person for CSR is:

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G4-33

The CSR Report has not been externally assured. Information for compliance with the requirements set out in section 99a of the Danish Financial Statements Act has been externally assured.

G4-34

The Group's highest governance body is the board of directors - also when it comes to decision-making on economic, environmental and social impacts.

The board of directors and the audit committee appointed by the board of directors are responsible specifically for the Group's economic reporting, risk management, etc.

Group Management is responsible for the operational management of the Group. Under Group Management, a number of employees have been employed and committees appointed to be responsible for the relevant areas.

The Group has a Tender and Contract Board which reviews all projects with a value above DKK 50 million before they are taken on by the Group. The purpose is to ensure project profitability.

The Group's CSR activities are managed by a CSR Board composed of a number of relevant Group executives. The Director of Corporate Communication has overall responsibility for CSR, whereas the responsibility for operating the different subareas lies locally with the employees and divisions responsible for the relevant areas.

Read more about Corporate Governance at mthgroup.eu/responsibility/corporate-governance

G4-56

With a vision to be the most productivity enhancing group in the construction and infrastructure industry, the MTH GROUP has been a

key player for a number of years in the drive to increase industry productivity.

The Group is working actively to increase realisability and freedom of choice in construction and infrastructure projects and more value for money. This requires a departure from tradition and a focused effort where processes are managed tightly and momentum is obtained.

This is based on the Group's strategy framework, which is used as a point of reference in the internal management and development processes.

These years, the Group's management maintains focus on three areas:

- Projects from society to operation
- Best in class VDC
- Achievement of synergies

The three areas are interdependent, having VDC (virtual design & construction) as their centre. The focus areas are supported by a number of specific campaigns relating to the Group's operation, management, market and customers.

For more information about the strategy, please see the consolidated annual report for 2017 page 12.

Appendix

This Appendix contains the background data to the report.

S08

An immediate improvement notice concerns serious occupational health and safety conditions at the workplace which must be rectified immediately. The condition can be rectified using temporary measures until a permanent solution can be implemented.

Prohibition against continuing work is given if there is imminent and significant danger to the health and safety of employees or others. A prohibition entails that the work is to stop immediately and that it may not be resumed until it can be carried out safely.

In 2017, the Group received the following immediate improvement notices and prohibitions:

- Eleven immediate improvement notices and two prohibitions requiring the Group to secure against the risk of falls
- Thirteen immediate improvement notices requiring the Group to secure the work space layout
- Eleven immediate improvement notices requiring the Group to secure orderly and tidiness in communal areas and on access roads
- Six immediate improvement notices requiring the Group to ensure the planning of the work

- Two immediate improvement notices requiring the Group to secure the use of protective gear and safety equipment
- Two immediate improvement notices requiring the Group to ensure the use of technical aids

IMMEDIATE IMPROVEMENT NOTICES BROKEN DOWN BY COMPANY

	Prohibitions	Immediate enforcement notices
Ajos	0	0
Enemærke & Petersen	0	5
Lindpro	0	2
Scandi Byg	0	2
MT Højgaard	2	38
The Group	2	47

PR5

INTERPRETATION OF CUSTOMER SATISFACTION SCORES

80-100	▶ Very high satisfaction rating
70-79	▶ High satisfaction rating
60-69	▶ Medium satisfaction rating
50-59	▶ Low satisfaction rating
Below 50	▶ Very low satisfaction rating

LA1

NEW EMPLOYEE HIRES AND TERMINATIONS

	Hourly workers	Salaried employees	Total
New employee hires	1,066	345	1,411
New hires leaving employment again the same year	382	47	429
Total number of employees leaving employment	952	320	1,272

NEW EMPLOYEE HIRES AND TERMINATIONS HOURLY WORKERS BROKEN DOWN BY AGE

	<30 years	Age 30-50	Age 50+
New employee hires	395	482	189
New hires leaving employment again the same year	142	156	84
Total number of employees leaving employment	302	406	244

NEW EMPLOYEE HIRES AND TERMINATIONS – SALARIED EMPLOYEES BROKEN DOWN BY AGE

	Age <30	Age 30-50	Age 50+
New employee hires	108	172	65
New hires leaving employment again the same year	25	18	4
Total number of employees leaving employment	93	147	80

NEW EMPLOYEE HIRES AND TERMINATIONS – HOURLY WORKERS BROKEN DOWN BY GENDER

	Women	Men
New employee hires	21	1,047
New hires leaving employment again the same year	6	370
Total number of employees leaving employment	16	944

NEW EMPLOYEE HIRES AND TERMINATIONS – SALARIED EMPLOYEES BROKEN DOWN BY GENDER

	Women	Men
New employee hires	74	271
New hires leaving employment again the same year	11	35
Total number of employees leaving employment	72	248

NEW EMPLOYEE HIRES AND TERMINATIONS – HOURLY WORKERS BROKEN DOWN BY GEOGRAPHY

	Denmark	Other countries
New employee hires	959	109
New hires leaving employment again the same year	336	38
Total number of employees leaving employment	922	38

NEW EMPLOYEE HIRES AND EMPLOYEES LEAVING EMPLOYMENT - BROKEN DOWN BY GEOGRAPHY (SALARIED EMPLOYEES)

	Denmark	Other countries
New employee hires	335	10
New hires leaving employment again the same year	42	4
Total number of employees leaving employment	305	15

LA6

ACCIDENTS AND ACCIDENT FREQUENCY RATE BROKEN DOWN INTO COMPANIES

	Number 2016	Number 2017	Accident frequency rate 2016	Accident frequency rate 2017
Ajos	4	2	26.2	11.9
Enemærke & Petersen	14	6	13.2	5.7
Lindpro	17	17	12.3	12.7
Scandi Byg	21	6	37.1	10.0
MT Højgaard	38	39	11.2	10.7
The Group	94	70	14.4	10.3

ACCIDENTS AND ABSENCE BROKEN DOWN BY REGION - HOURLY WORKERS AND SALARIED EMPLOYEES

	Denmark 2016	Denmark 2017	Other countries 2016	Other countries 2017
**Accident frequency rate per one million working hours (salaried employees + hourly workers)	16.3	10.8	4*	6.4*
**Absenteeism rate, including salaried employees in connection with occupational accidents	1.3	0.9	1.5*	0.5*

*Incl. local hourly workers who are included in an accident frequency rate

** Accident frequency rate and absenteeism rate cannot be broken down on women and men

ACCIDENTS AND ABSENCE BROKEN DOWN BY STAFF CATEGORY AND REGION

Hourly workers	Denmark 2016	Other countries 2016	Total	Denmark 2017	Other countries 2017	Total
Accident frequency rate	27.7	4.1	22.1	18.6	6.6	16.5
Occupational accidents resulting in absence from work	89	4	93	65	5	70
Working days lost	1006	211	1271	732	51	783
Absenteeism rate in connection with occupational accidents	2.3	1.6	2.1	1.5	0.5	1.4
Hazardous (near-miss) incidents	170	1	171	190	0	190
Occupational accidents not resulting in absence from work	234	4	238	268	6	274

TYPE AND CIRCUMSTANCE FOR THE 70 ACCIDENTS

Type of injury	Circumstance	No.
Injury to soft tissue (blow and bruise marks)	Fall at the same or to a lower level/bumped into/hit by	12
Wound	Stepped on or other contact with sharp objects/Bumped into/Hit by	13
Limb lost	Squeezed or hit by	0
Closed fracture	Bumped into/hit by or fall from same/or low level	7
Displacement of joints	Excess strain on body	1
Sprain/dislocation/strain	Bumped into/hit by or fall from same/or low level	29
Open fracture	Bumped into/hit by	0
Cerebral concussion and internal injuries	Driving etc. in company time/bumped into/hit by	0
Thermal damage and frostbite	Squeezed or hit by	1
Electric shock	Contact with electric voltage	1
Miscellaneous, eye injury	Foreign object in eye or contact with chemicals	6

LA12

MANAGERS BROKEN DOWN BY GENDER

	Women 2016	Men 2016	Women 2017	Men 2017
Managers, salaried employees	40	269	46	302
Non-manager, salaried employee	370	808	382	885
Manager, hourly worker	0	0	0	0
Non-manager, hourly worker	29	1814	43	1290

EN3

The statement of direct energy consumption covers fuel, oil and natural gas, including estimated consumption for use of private cars for business purposes, whereas indirect energy consumption covers district heating and electricity.

Oil and natural gas for heating

The consumption is included primarily on the basis of actual statements of consumption. If no such data have been available, the consumption has been included on the basis of estimated consumption according to on-account bills.

The natural gas at a few small localities is not paid according to consumption, but via the rent. It is not possible to make statements of the consumption.

Indirect energy consumption

The statements of power and district heating consumption at the Group's localities are based on actual metre readings and statements on invoices from suppliers.

The data reported do not include consumption of electricity at construction sites. This delimitation has been chosen because the consumption of electricity at the individual construction sites is sometimes paid for by the client and sometimes by the Group.

Conversion of kilometre to energy consumption is based on an estimate of the average age of the vehicles and data on distribution on fuel type and consumption from Statistics Denmark.

CRE1

Statements of the use of natural gas by the individual companies' permanent addresses for heating, district heating and electricity from suppliers have been used. The statement covers only Danish addresses, but includes both offices and manufacturing facilities.

Square metres (heated area) and number of office workers have been stated by the individual companies.

The energy consumption for buildings includes consumption for heating of offices/manufacturing facilities as well as electricity consumption.

No correction has been made in relation to climatic differences from one year to the other.

EN23
WASTE

	waste/kg	2016	2017
Recycling (incl. reuse)	7.081.242	7.376.020	
Incineration (or used as fuel)	3.380.648	4.716.880	
Dumping	1.917.551	1.590.940	
Mixed waste	1.871.325	2.399.310	
Other (non-categorised)	2,308	6,628	
Soil, transported away from sites	1.051.020	2.096.240	
Total waste	15.326.374	18.186.018	
Total waste, exclusive of soil	14.275.354	16.089.778	
Hazardous waste	1.515.828	341,648	

The data reported for the period primarily include statements from the waste receivers with which the Group has entered into co-operation agreements and which also handle the main part of the Group's waste. Local waste receivers are also used on some construction sites. The Group is currently seeking to have as many as possible voluntarily using the waste receivers with which the Group has entered into co-operation agreements. The Group is also seeking to influence some of the waste receivers, e.g. to commit to a higher degree of recycling.

It makes no sense to look at actual waste volumes as one year there may be renovation projects which generate a lot of waste and the next year projects may predominantly involve new buildings or civil works which generate less waste. Instead, the focus is on mitigating the environmental effects of the waste. By way of example, the Group is currently working to increase sorting at source to allow a larger fraction to be recycled. At the same time, the Group would like to increase the volume of waste for recycling. Waste which ends up in a landfill causes the largest environmental problems.