

Non-financial group statement

About this non-financial group statement

Subject matter and scope

With this non-financial group statement (hereinafter: non-financial statement), freenet AG (hereinafter freenet AG and freenet used for the Group), headquartered in Büdelsdorf [GRI 2-1], complies with the reporting obligation of the CSR Directive Implementation Act (CSR-RUG) that came into force on 19 April 2017 (Sections 315b, 315c in conjunction with Sections 289b-e HGB). The information provided in the non-financial statement on concepts, measures, activities and KPIs relates to the 2023 financial year, i.e. the period from 1 January 2023 to 31 December 2023, and applies to both the Group and freenet AG.

The non-financial statement summarises the material aspects and issues relating to environmental matters, employee matters, social matters / respect for human rights and anti-corruption / bribery matters. The material topics identified reflect the organisation's current specific understanding of sustainability and are reported with reference to the current standards of the Global Reporting Initiative framework (GRI Standards 2021) (see Further information, GRI content index). The Investor Relations & ESG Reporting department, which is the point of contact for questions relating to the non-financial statement and reports directly to the Executive Board member responsible for ESG reporting (CFO), is responsible for the central coordination of report content/preparation (see Further information, Imprint and contact). Responsibility for the content of the various sustainability aspects lies with the respective Executive Board departments or specialised departments [GRI 2-3].

Unless otherwise indicated, the declaration covers all fully-consolidated companies in the consolidated financial statements (see notes to the consolidated financial statements, note 36). Due to the business area-specific structure of the "TV and Media" segment and the associated Media Broadcast GmbH, this company is discussed separately in some places in the presentation of material Topics [GRI 2-2].

This non-financial statement, including GRI disclosures and disclosures in the context of the EU Taxonomy, was subjected to a voluntary assurance engagement in accordance with ISAE 3000 (revised) to obtain limited assurance (see Further information, assurance practitioner's report on non-financial Group statement). Further information on the internal audit process, the parties involved in the audit and the audit results of the non-financial statement can be found in the Report of the Supervisory Board (see To our shareholders, Report of the Supervisory Board) [GRI 2-5, GRI 2-14].

Information on the business model

The operating business activities of freenet AG, which has been traded on the Frankfurt Stock Exchange since 2007, and its subsidiaries are primarily limited to the private customer segment and Germany. For this reason, there is no geographical breakdown according to the countries in which freenet is active, but – if necessary – only a breakdown according to the operating business segments "Mobile Communications" and "TV and Media". A detailed description of freenet's business model can be found in the Group management report in the section Business model and organisational structure [GRI 2-1].

ESG strategy

With effect from 1 January 2023, the Supervisory Board has appointed Nicole Engenhardt-Gillé, previously Head of Human Resources, to the Executive Board of freenet AG and appointed her to head the new "Human Resources and ESG" board department. In addition to traditional HR issues, she will also be responsible for all aspects of sustainability (ESG). With the development of a freenet-specific sustainability strategy (see Corporate strategy and goals) and interdisciplinary ESG organisational structure, the foundation was laid in the 2023 financial year for the further sustainable orientation of the company's activities. The guiding principle of the ESG strategy places people at the centre of actions with the clear attitude of making business activities environmentally responsible, socially just and economically profitable.

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Materiality analysis as the basis for determining material topics

The material sustainability topics of freenet reported on in this non-financial statement are based on a materiality analysis in accordance with the requirements of the CSR-RUG (Section 289c (3) HGB) from 2021.

In a multi-stage materiality analysis process involving the most important stakeholders, those non-financial topics were discussed that are significant for understanding the business performance, business results or situation and for understanding the effects of business activities (impact) on the sustainability aspects specified in the law. Further information on determining the material topics and the materiality analysis process can

be found in the 2021 annual report (see freenet AG Annual Report 2021, Non-financial statement).

In the 2023 financial year, there were no significant changes at freenet AG compared to the previous year with regard to business activities or business relationships. Similarly, the involvement of relevant stakeholder groups in the 2023 financial year did not give rise to any indications that would make it necessary to adjust the material topics. The materiality analysis and the material topics identified therefore remain valid for the 2023 financial year and are reported in the same way as in the previous year.

Table 20: List of material topics [GRI 3-2] assigned to CSR RUG aspects and GRI standards

Overarching material topics	CSR-RUG aspect	GRI Standards
Employees <ul style="list-style-type: none"> ▪ Employer attractiveness ▪ Upgrading skills ▪ Diversity ▪ Occupational health and safety 	Employee matters	GRI 3-3, GRI 401-1, 401-2, 401-3 GRI 404-1, 404-2, 404-3 GRI 405-1, 406-1 GRI 403-1, 403-3, 403-4, 403-5, 403-9
Digital responsibility <ul style="list-style-type: none"> ▪ Information security ▪ Data protection 	Social matters/ Respect for human rights	GRI 3-3, GRI 418-1
Customer matters <ul style="list-style-type: none"> ▪ Service quality/Network quality ▪ Digital participation ▪ Sustainable product solutions and Product innovations (incl. sustainable packaging) 	Social matters/ Environmental matters	GRI 3-3, GRI 417-1
Corporate environmental protection <ul style="list-style-type: none"> ▪ Energy consumption/CO₂-emissions ▪ Resource consumption (incl. sustainable packaging) 	Environmental matters	GRI 3-3, GRI 302-1 GRI 305-1, 305-2, 305-3, 305-4, 305-5
Compliance and integrity	Anti-corruption and bribery matters	GRI 3-3, GRI 205-3
Supply chain and human rights due diligence	Respect for human rights/ Environmental matters	GRI 3-3 GRI 414-1

By including various stakeholder perspectives, freenet ensures that the reported sustainability topics are in line with their interests or are developed further if necessary. In the case of the company's own employees, involvement takes place using various formats (e.g. employee surveys or the employee sustainability initiative, called "Nachhaltigkeitsbotschafter"). The interests of external stakeholder groups (suppliers, investors, sustainability/financial analysts or customers) are primarily taken into account through dialogue between the respective specialist departments and stakeholders (e.g. at the Annual General Meeting, in meetings with analysts or in the form of surveys).

The annual reporting in the non-financial statement informs stakeholders about the management and control approach as well as targets and measures taken in relation to the identified material topics [GRI 3-1].

In addition, ESG ratings by independent rating agencies increase transparency with regard to the categorisation and weighting of freenet AG's relevant sustainability activities. The company is in regular dialogue with the ESG rating agencies Sustainalytics, MSCI, ISS and CDP, which have been identified as relevant for freenet.

The following overview shows the latest results of the ratings by ESG rating agencies.

Table 21: Results of relevant ESG ratings

Rating agency/ rating	Rating scale	2023 (valued: financial year 2022)	2022 (valued: financial year 2021)	2021 (valued: financial year 2020)
Sustainalytics ESG Risk Rating	Negligible risk (0-10) to Severe risk (40+)	Rating is not yet available.	Medium ESG risk, MED (22.6)	Medium ESG risk, MED (25.0)
MSCI ESG rating	Leader (AAA, AA) to Laggard (B, CCC)	AA	A	AA
ISS ESG Corporate rating	Excellent perfor- mance (A+) to Poor performance (D-)	C	C	C
CDP Climate Rating	Leadership (A, A-) to Disclosure (D, D-)	C	C	C

Determining the material non-financial risks

The risk analysis carried out by freenet in the context of the non-financial statement is based on its Group-wide risk management system (RMS). The risks recognised there were analysed to establish whether they match the issues and aspects of the non-financial statement. For risks from the RMS that relate to issues covered by the CSR-RUG, a risk assessment has been carried out in line with the assessment for the Group risk report (please refer to the Report on opportunities and risks). The analysis found that measured in terms of the legal materiality criteria¹ for reporting non-financial risks, and after the implementation of risk-mitigation measures, none of the identified risks is of a material nature as defined in the RMS established Group-wide and the CSR-RUG.

Material topics

Employees

Overarching personnel strategy

In a dynamic and highly competitive environment for mobile communications, Internet and TV entertainment, freenet's success is largely dependent on the performance and commitment of its employees, who use their expertise and skills in a targeted manner. In order to support this in the best possible way, freenet has established a variety of different measures and programmes. The aim is to create a harmonious, secure, healthy and performance-orientated working environment that reflects the diversity of our society and avoids all types of discrimination.

The HR strategy was updated at the beginning of the year when the new "HR and ESG" board department was created. The focus on integrating ESG into HR work resulted in the clearly defined vision "freenet – successful through strong and diverse employees".

freenet's revised HR strategy comprises four key topics:

1. Actively drive and support organisational development,
2. Strengthen employer attractiveness,
3. Shaping learning culture and
4. Living sustainability as an attitude.

In order to ensure that structures and processes (1) continuously meet the changing requirements and challenges of the market, concepts for change measures are developed and implemented, digitalisation projects are supported and managers are actively involved as multipliers. With regard to (2) strengthening employer attractiveness, employee retention with topics such as modern remuneration, time models and new working environments is a central focus. At the same time, targeted employee recruitment measures are intended to meet the challenge of a highly competitive recruitment market. An innovative and dynamic working environment requires continuous learning (3). The measures should focus on creating a learning culture that promotes the continuous development of employees and managers. In addition, (4) sustainability is to be anchored as an attitude in the organisation and awareness of sustainability in the company is to be strengthened among all freenet employees. In the context of social responsibility, the focus should be on promoting diversity and equal opportunities.

¹ The following distinction is made in the freenet Group regarding probability of occurrence: very low (≤ 10 percent), low (10.01 to ≤ 30 percent), moderate (30.01 to ≤ 50 percent), high (50.01 to ≤ 70 percent) and significant (> 70 percent). For the purposes of non-financial risk reporting as defined in section 289b HGB in conjunction with section 289c (3) nos. 3 and 4 HGB, the category "very likely" was defined as "significant" (> 70 percent).

Overall responsibility for the design, implementation and management of measures lies with the “Human Resources and ESG” Executive Board department, headed by Nicole Engenhardt-Gillé in her role as Chief Human Resources and ESG Officer (CHRO). Since 2016, the “People and Organisational Development” department has been an internal competence centre responsible for Group-wide concepts and strategic issues relating to employees and organisational development. The successful implementation of strategic objectives is reviewed on a quarterly basis as part of strategy workshops. Where relevant, the results are communicated directly to the respective departmental Executive Board member or discussed by the entire Executive Board.

Employer attractiveness

Management approach: A central pillar of freenet’s HR strategy is employer attractiveness, i.e. creating a working environment that helps to attract and retain employees and increase their performance and satisfaction in equal measure. Above all, the focus is on a relationship based on partnership and trust at all levels of the Group. The individual circumstances of employees should be given the best possible consideration, with no blanket regulations, in order to balance the interests of employees and the interests of the company in terms of working and living hours. The aim is to increase employer attractiveness both internally and externally and to secure

the additions of qualified specialist and management staff, who are essential to the company’s success.

Governance: In order to measure internal and external employer attractiveness, various indicators are collected and managed centrally. Key figures for measuring employer attractiveness are employee turnover and external new hires. In addition, relevant employer evaluation platforms for companies are constantly analysed and, since 2022, employee surveys have also been conducted to record general sentiment and satisfaction. This approach is intended to establish an open feedback culture within the company and identify areas for action to increase employer attractiveness. Since 2019, employee exit surveys have also been conducted throughout the Group (excluding Media Broadcast) as well as target group and topic-specific employee surveys within the shops/stores. The results are continuously analysed in order to take appropriate countermeasures in the event of undesirable developments.

A total of 489 new employees were hired in the 2023 financial year (previous year: 449 employees). Staff turnover in the Group (excluding shops/stores) fell by four percentage points to 8.8% in 2023 compared to the previous year (previous year: 12.8%). In the shops/stores, it rose slightly from 28.3% in the previous year to 29.4% in the reporting year.

Table 22: New hires and employee turnover [GRI 401-1]

Number of employees (%)	2023			2022		
	Total	Men	Women	Total	Men	Women
New hires freenet (without shops/stores) ¹	240 (10.2)	158 (10.0)	82 (10.7)	225 (9.7)	134 (8.5)	91 (12.2)
Thereof <30 years	81 (30.7)	51 (32.9)	30 (27.5)	71 (27.4)	33 (21.3)	38 (36.5)
Thereof 30–50 years	132 (11.3)	87 (12.2)	45 (9.8)	126 (10.5)	81 (10.9)	45 (9.8)
Thereof >50 years	27 (3.0)	20 (2.8)	7 (3.5)	28 (3.2)	20 (2.9)	8 (4.4)
New hires shops/stores ¹	249 (23.8)	185 (23.3)	64 (25.6)	224 (20.9)	173 (21.3)	51 (19.6)
Thereof <30 years	173 (44.5)	123 (41.8)	50 (52.6)	159 (39.8)	123 (40.9)	36 (36.4)
Thereof 30–50 years	69 (11.8)	57 (12.8)	12 (8.7)	62 (10.2)	48 (10.4)	14 (9.6)
Thereof >50 years	7 (9.7)	5 (9.1)	2 (11.8)	3 (4.7)	2 (4.1)	1 (6.7)
Employee turnover freenet (excluding shops/stores) ²	207 (8.8)	132 (8.4)	75 (9.8)	298 (12.8)	202 (12.8)	96 (12.9)
Thereof <30 years	43 (16.2)	22 (14.2)	21 (19.3)	54 (20.9)	31 (20.1)	23 (22.1)
Thereof 30–50 years	104 (8.9)	61 (8.6)	43 (9.4)	167 (13.9)	110 (14.8)	57 (12.4)
Thereof >50 years	60 (6.6)	49 (6.9)	11 (5.5)	77 (8.9)	61 (8.9)	16 (8.8)
Employee turnover shops/stores ²	307 (29.4)	232 (29.1)	75 (30.0)	303 (28.3)	227 (27.9)	76 (29.3)
Thereof <30 years	176 (45.2)	133 (45.2)	43 (45.3)	173 (43.3)	128 (42.4)	45 (45.8)
Thereof 30–50 years	120 (20.5)	91 (20.4)	29 (21.0)	121 (19.9)	92 (19.9)	29 (19.8)
Thereof >50 years	11 (15.3)	8 (14.5)	3 (17.6)	9 (14.1)	7 (14.4)	2 (13.1)

¹ Ratio: Newly hired employees in relation to average number of employees

² Ratio: Number of employees (salaried employees) who leave the company voluntarily or due to dismissal, retirement or death (exits) as compared to the average number of employees [(Exits * 100) / Ø Number of employees]

With regard to the employer brand, freenet once again received several awards in 2023:

- “TOP Career Opportunities” seal from ServiceValue GmbH and Focus Money
- “Employer of the Future” seal from the German Innovation Institute for Sustainability and Digitalisation
- “eLearning Award 2022” from eLearning Journal: freenet took first place in the Learning Management System (LMS) category (award is still valid)
- The “BEST PLACE TO LEARN®” seal from AUBI-plus GmbH

Actions: Particularly in times of skills shortages and demographic change, a high level of employee satisfaction is important in order to retain qualified specialists in the company. Since 2022, freenet has been conducting employee surveys several times a year with the so-called “mood barometer” to record the mood of the workforce. The surveys are conducted anonymously and on a voluntary basis in accordance with applicable data protection regulations and also included Media Broadcast for the first time in 2023. In addition to overall satisfaction, the mood barometer measures satisfaction with regard to collaboration and the room for manoeuvre in terms of working conditions as well as the recommendation rate using a questionnaire consisting of fixed and variable questions. The fixed questionnaire was supplemented in 2023 by an additional question on the recommendation of one’s own manager. In addition, the 2023 surveys asked about the most important characteristics of an ideal manager as well as questions on further development and the culture of learning. The overall satisfaction of employees – as a sub-result of the mood barometer – is particularly relevant to management and indicates the percentage of employees who are generally satisfied with freenet as an employer (“very satisfied” or “satisfied”).

A total of three surveys were conducted in the 2023 financial year (previous year: two). With an average response rate of 44.9% (previous year: 46.0%), an average of 67.0% (previous year: 67.2%) of the employees surveyed stated that they were satisfied with freenet as an employer. The goal for 2024 is to increase the response rate and maintain overall satisfaction at least at the level of 2022.

Table 23: Employee satisfaction

Figures in %/as indicated	2023	2022
Number of surveys	3	2
Response rate (average)	44.9	46.0
Employee satisfaction (average)	67.0	67.2

freenet organised a variety of measures in 2023 to promote employer attractiveness. For example, a digital camp entitled “HR meets Gen Z” was held for the first time with guests from the Generation Z target group. The aim was to gain insights into the expectations and motivation of Generation Z in order to utilise the knowledge gained in relation to topics such as recruiting, employer attractiveness, careers, sustainability and leadership.

In order to increase the visibility of the employer brand specifically for digital-savvy target groups, the employer presence “freenet_karriere” on Instagram was relaunched and an interdisciplinary social media team was set up. In addition, activities on the social media platform TikTok were expanded with the publication of short videos on training opportunities at freenet. In 2023, the company once again used the high level of employee satisfaction with freenet as an employer to recruit new employees as part of the “#friends-forfreenet” programme. The recruiting concept is a bonus-based employee recruitment programme in which freenet employees can recommend relatives, friends or acquaintances for an open position.

The onboarding process for new employees was also revised in the past financial year with the synchronisation of internal HR and IT processes and the introduction of a digital welcome folder. As an elementary onboarding component, a Group-wide “Welcome Day” was once again held in 2023. This enables participants to get to know each other and network in a relaxed atmosphere. In experience rooms, new employees are given an insight into the different facets of the company during keynote speeches and interviews.

In addition to experience, communication and transparency are important factors that contribute to employer attractiveness. For example, the established “Ask Christoph” format offers employees the opportunity to ask questions directly and anonymously to the CEO of freenet AG, who answers them personally and promptly on the intranet. Since 2020, so-called “Town Halls” have also been held, in which the CEO provides information on current topics via live video and employees have the opportunity to ask questions interactively.

Recognising part-time and flexible working time models helps to meet the various work-life balance requirements of employees. For example, flexible shift models in the shops or logistics, working from home in various areas and mobile working are possible in many places. This approach was formalised in a set of rules back in 2020.

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According to Section 15 of the Federal Parental Allowance and Parental Leave Act, every parent in Germany is entitled to parental leave to care for and raise their child until it reaches the age of three. Many employees at freenet AG also take advantage of this legal entitlement [GRI 401-3]. One measure to position the company as an attractive employer is the establishment and expansion of the so-called parental leave mentoring programme, in which mothers and fathers on parental leave are regularly provided with information by a colleague from the team and invited to important appointments. To improve the work-life balance, freenet also offers its employees at the Hamburg site the use of a parent-child room [GRI 401-3].

In addition to these measures, freenet believes that an attractive overall remuneration package, including additional benefits, is required to reward employees appropriately. In addition to fixed remuneration, the remuneration system for almost all employees includes variable salary components that are dependent on the company's success and are generally based on the same performance indicators that are also relevant for the remuneration of the Executive Board. In addition, freenet grants subsidies for company pension schemes above and beyond the statutory requirements and has offered occupational disability insurance with a simplified health check since 2016 [GRI 401-2].

In 2022 and 2023, freenet made use of the legal option to pay employees an inflation compensation bonus free of tax and social security contributions. In addition, the following (in some cases location-specific) employee discounts or benefits are available: subsidised "Deutschland-Ticket" for public transportation, discounts for wellness offers and massages, meal allowances, discounted rates and services from freenet, a bicycle leasing model and an employee vehicle model. No distinction is made between full-time and part-time employment when granting benefits. Depending on the benefit, these are granted pro rata on the basis of the degree of employment in line with the amount for full-time employees.

Upgrading skills

Management approach: The dynamics within the information and communications industry as well as the generally increasing digitalisation of workflows and processes pose new demands and challenges for freenet's employees and make it essential to strengthen and promote their skills. Demand-oriented development of employees is therefore a central pillar of the organisation's progress and future viability. In particular, the aim is to expand independent learning and promote the transfer of knowledge within the Group in order to contribute to a general learning culture that supports mutual learning.

In addition to upgrading the skills of its employees, freenet considers it important to fulfil its social responsibility towards the younger generation and has created a diverse range of training opportunities as a building block for securing the next generation of employees. Equally important is the regular promotion of high performers and high-potential employees in order to ensure the expansion of creativity and innovation within the company in addition to maintaining expertise.

Governance: Central responsibility with regard to the professional and interdisciplinary upgrading skills of employees lies with managers, who should provide coaching and support as required. The "People and Organisation Development" department is responsible for the framework and management of the process.

The company-wide competency model, which has been established in the company since 2016, is used for the targeted further development of employees in the Group. It focuses on the areas of expertise "Cooperating and working together", "Developing personal impact", "Thinking and acting entrepreneurially", "Driving change" and "Living leadership". Based on the competency model, managers conduct binding annual development meetings with their employees. In addition to assessing competences, the focus is on identifying personal development areas and activities. The implementation rate of the annual development meetings for the 2023 financial year was 93.1% (previous year: 94.9%) [GRI 404-3].

In addition to the classic qualification portfolio available to managers for employee development, employees' independent learning is another component of upgrading skills. The established Learning Management System (LMS) is an important basis for this. Learning and further training programmes are bundled in one central location. The LMS offers employees access to a broad catalogue of self-learning and further development opportunities that serve different learning types and cases. The LMS was used by 1,996 employees in 2023 (previous year: 1,428). The increase is due to new offers and campaigns and the expansion of additions for other employees.

Due to the specific requirements and customer proximity, a separate training unit is responsible for the further development of employees at freenet shops/stores and Gravis stores. This unit supports shop and store employees in various training courses, e-learning sessions, programmes and individual coaching sessions. In 2023, the “mauiCAMPUS” learning platform for shop employees was replaced by a modern, target group-specific system – the “TrainingClub” – which all shop and store employees can use via an app. The variety of topics covered by the training courses ranges from product and sales training to fraud and occupational health and safety. These are offered via various learning formats such as video, podcast, e-learning and in online and classroom training units [GRI 404-2].

Upgrading employees’ skills is an important factor in the company’s success. With this in mind, the motto for 2023 was #freenetlernt and the development of employees’ learning hours was included as a corporate goal in the variable remuneration of the Executive Board and employees. As a result, formal learning hours per employee increased by over 30% to an average of 12.9 hours in 2023 (previous year: 9.8 hours) [GRI 404-1]. The target of a minimum learning time of eleven hours was thus clearly exceeded. This target is to be maintained in the future – regardless of its relevance to remuneration.

Table 24: Key figures on upgrading skills
 [GRI 404-1, GRI 404-3]

Units as specified	Unit	2023	2022
Implementation of annual performance reviews	%	93.1	94.9
LMS users	Number	1,996	1,428
Formal learning hours¹	Ø Number in hours per employee	12.9	9.8
Vocational trainees	Number	278	266
Thereof dual students	Number	29	27

¹ The definition of the key figure “Formal learning hours” was redefined as part of the integration of the key figure into the remuneration system of the Executive Board (STIP 2023) and employees in order to increase the informative value of the key figure in relation to formal learning. The previous year’s figure was adjusted in line with the new definition.

Actions: The continuous professional and personal development of employees is a key factor in positioning the company for success in the future. In 2023, almost 180 individual development measures were carried out in addition to the numerous offers in the LMS. As supportive measures in the Year of Learning, learning blockers with impulses for the successful integration of learning into everyday working life or on topic-specific content were sent to employees in the form of an invitation to a 60-minute appointment. Furthermore, the rights of use were adjusted at the half-year point

to facilitate and promote dialogue between managers and employees with regard to further development. Since then, employees have had access to all content in the campus portal, including content that they can only book together with their manager.

In terms of communication, the Year of Learning was accompanied by a dedicated website that provides employees with facts, figures and data via videos and podcasts and promotes dialogue via the interactive weiterentwicklung@freenet channel. In addition, a survey on learning culture was conducted for the first time, the results of which will serve as a basis for the future design of the learning culture. Another important aspect of the learning culture is the promotion of knowledge transfer within the Group. With the short format “Knowledge in 30 minutes”, relevant topics have been presented by employees for employees at regular intervals since 2018. Much of the content on the campus portal is also presented by in-house experts with the aim of passing on expertise within the Group. In 2023, the new informal format “Lunch & Learn: Leadership meets HR” was introduced in 2023, in which current topics are presented and an open dialogue with and between managers is encouraged.

With regard to the upgrading skills of managers, the focus in 2023 was on the topic of the “ideal manager”. The employee survey asked about the top characteristics of a manager. Trust, appreciation, recognition of performance, respect for health and commitment were identified as the five most important characteristics in this regard. Based on these results, targeted exchange formats were organised for employees and managers. In order to sensitise managers to the topic of sustainability, an ESG roadshow was held at five company locations in which freenet AG’s sustainability strategy was presented with location-specific focal points.

freenet has had an internal programme for the targeted promotion of high performers and high potentials since 2008. The programme was revised again in 2023 with the aim of promoting the personal growth of participants even more strongly through individual development. Various events are used to build networks and impart comprehensive corporate knowledge and skills such as holistic thinking and action, the ability to reflect and self-organisation. freenet Shop GmbH has also been offering specific formats to promote talent in sales consulting since 2012, which were revised again in 2023. The aim is to meet the demand for qualified sales staff and also facilitate lateral entry, increase the quality of advice, offer employees professional development prospects and retain them [GRI 404-2].

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As part of the evaluation of the 2023 mood barometer, the topic of careers was identified as a key issue among employees. With the aim of creating an understanding of careers and offering employees space for reflection, inspiration and networking with regard to their professional development at freenet, the “Reflect Day” was held for the first time.

In addition to careers within the company, freenet also promotes career entry. In the area of vocational training and dual study programmes, freenet provides over 100 apprenticeships every year, spread across 25 training programmes at over 150 training locations. Vocational trainees are supported by targeted onboarding, trainee camps and internal training programmes. freenet offers successful university graduates a Group-wide one-year specialist trainee programme. In 2023, eight participants successfully completed this programme (previous year: five participants). The number of vocational trainees totalled 278 in the reporting year (previous year: 266), 29 of whom were on dual study programmes (previous year: 27).

Diversity

Management approach: At freenet AG, diversity is firmly anchored as a fundamental value of cooperation and emphasises the importance of diversity for the company. Diversity means different approaches, a variety of knowledge, different ideas and open and respectful interaction with one another. All employees should also be offered the same opportunities regardless of their ethnic or social background, nationality, marital status, gender or gender identity, religion or sexual orientation. By promoting and challenging heterogeneous team compositions and the individual development of all employees in their competences, innovation and creativity are created that ensure freenet’s competitiveness.

Governance: Every manager in the Group is responsible for living and establishing diversity. The aim is to ensure that there is no discrimination, particularly in the areas of recruitment, promotion, remuneration and training and education, through the example set by managers, generally applicable principles of behaviour and attentive cooperation – supported by the “Human Resources and ESG” department. Explicit attention is paid to possible grounds for discrimination in accordance with Article 3 of the German Basic Law, such as age, disability, ethnic origin, marital status, race, religion, gender, sexual orientation, social background and other personal characteristics.

The topic of gender diversity must be emphasised, as freenet AG is subject to the “Act on Equal Participation of Women and Men in Leadership Positions” in addition to its own requirements. Accordingly, freenet has set itself the following targets for the period up to the end of 2026: 25% of managers at the first management level and 30% at the second management level should be women. Target achievement and new targets are presented in the Corporate Governance Statement (fn.de/cgstatement) [GRI 405-1]. At around 30%, the proportion of women among employees across the Group in 2023 is at the same level as the previous year. In addition, freenet’s workforce currently consists of 62 nationalities (previous year: 60), which further promotes diversity within the Group.

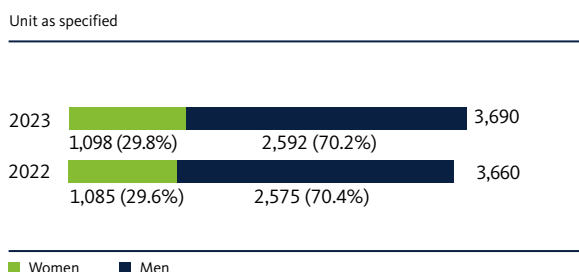
In 2023, as in the previous year, there were no incidents of discrimination to be addressed in the Group [GRI 406-1].

Actions: At freenet, diversity is already practised in the recruitment process and beyond on a daily basis in numerous measures, management tools and training courses. The measures in the area of diversity focus on the advancement of women. In 2023, the focus was on strengthening the internal networking of women, teaching specific skills, training managers with regard to gender equality and promoting freenet AG’s external image.

The following measures were implemented in this context in the 2023 financial year:

- Continuation of the #women@freenet event series with events on the topics of appearance and presentation as well as conducting negotiations
- The first “FOKUS Vertriebskünstlerin” event created a platform for all women from the sales organisation to learn from each other, network and inspire each other for further professional success
- Piloting of two management workshops “Gender Equality: Tools for more inclusive leadership” with the aim of providing managers with tools that contribute to promoting gender equality and a more inclusive working environment
- Continuation and promotion of the growing informal network “freenet women” and the “Work dates for women” format
- Continuation of the project to specifically address women, particularly in job adverts, with the aim of attracting female applicants to freenet as an employer and thus increasing the proportion of women in the Group
- freenet was a partner of the Female Future Force Day in Berlin in 2023, an event that inspires women, shows perspectives and promotes networking

Figure 13: Number of employees by gender as of 31.12. [GRI 2-7]¹



¹ No employees have been recorded as “diverse” in either of the two years.

Figure 14: Male employees by age as of 31.12. [GRI 405-1]

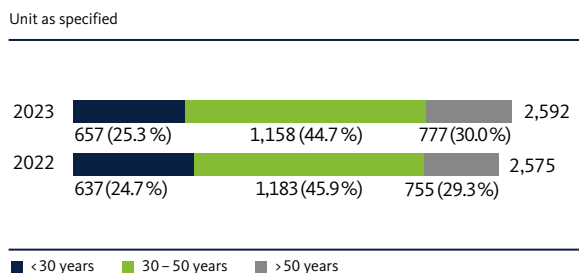
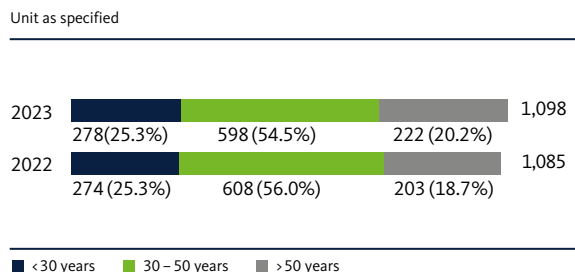


Figure 15: Female employees by age as of 31 December [GRI 405-1]



Occupational health and safety

Management approach: The health of freenet employees is a high priority. This includes, mostly through a preventive approach, creating and ensuring a safe working environment for all employees, promoting health and paying attention to mental well-being. The topic of occupational safety is of particular relevance in relation to Media Broadcast in view of the specific and high-risk business activities, as the service employees of the freenet subsidiary are entrusted with the maintenance and possible repair of transmission masts and antennas, some of which are several hundred metres high. Compliance with strict safety standards/protocols in this area is therefore particularly relevant, as accidents have a serious impact on the health of employees.

Governance: The decentralised HR departments at the locations are primarily responsible for occupational safety and health management. Overall responsibility lies with the “Human Resources and ESG” Executive Board department. In addition, the statutory occupational safety committees have been formed across the Group companies. Each committee is made up of the employer or a person authorised by the employer, two members of the Works Council, the company doctor, an occupational safety specialist and a safety officer. Employees who are not employees but whose work and/or workplace is controlled by the organisation (hereinafter: employees who are not employees) are also represented by these committees [GRI 403-1]. The members fulfil their duty of care towards employees based on legal requirements, regularly train managers at the sites on occupational safety issues and are supported in this by external service providers. They meet four times a year, monitor and analyse measures taken in relation to the physical and mental health and safety of the workforce and employees who are not employees, and develop concepts for continuous improvement in the respective area. As part of risk assessments, freenet conducts employee surveys, which are used to manage health measures and optimise workplaces [GRI 403-4].

Pursuant to Section 13 of the German Occupational Health and Safety Act, the management of Media Broadcast has delegated in writing the company's obligations to ensure occupational health and safety to a reliable and competent person. The person responsible for entrepreneurial duties is authorised to issue instructions to all employees with regard to issues such as the prevention of accidents at work, occupational diseases and work-related health hazards. The occupational health and safety committee, consisting of site safety officers, the first responsible electrical specialist, the head of HR, the occupational safety specialist and the company doctor, meets quarterly and discusses occupational health and safety issues. Regional occupational health and safety groups meet annually.

Indicators for the assessment of occupational health and safety are the sickness rate, industrial accidents and commuting accidents and the number of deaths due to work-related injuries as well as work-related injuries with serious consequences. The sickness rate², which is reported to the Executive Board on a monthly basis, fell from 6.7% in the previous year to 6.1% in the 2023 financial year.

Industrial accidents and commuting accidents in the Group (excluding Media Broadcast) decreased from 22.5 accidents per 1,000 employees in the previous year to 20.3 accidents per 1,000 employees. At Media Broadcast, the rate of industrial accidents and commuting accidents fell year-on-year from 17.0 accidents per 1,000 employees in the previous year to 5.7 accidents per 1,000 employees, mainly due to the sharp decline in registered commuting accidents. In 2023, as in the previous year, there were no fatalities within the Group due to work-related injuries (2023: 0.0%, 2022: 0.0%) or work-related injuries with serious consequences (2023: 0.0%, 2022: 0.0%). These figures also apply to workers who are not employees [GRI 403-9].

Table 25: Industrial accidents and commuting accidents [GRI 403-9]

Per 1,000 employees	2023	2022
Group (without Media Broadcast)	20.3	22.5
Thereof industrial accidents (accident reports/notes)	11.3	15.4
Thereof commuting accidents	9.0	7.1
Media Broadcast	5.7	17.0
Thereof industrial accidents (accident reports/notes)	1.9	5.7
Thereof commuting accidents	3.8	11.3

Actions: To ensure the health of employees, regular training courses are held for first aiders and fire safety assistants, and special modular training courses are offered for managers on the topics of "Dealing with illness and employee additions" and "Healthy leadership". The latter is intended to enable managers to ensure not only safe but also healthy workplaces in their area [GRI 403-5]. In order to promote and maintain the health of the workforce in general, health days are usually organised annually at the locations. Health programmes are offered to employees in stationary retail in cooperation with a health insurance company. In addition, all freenet employees are offered occupational health examinations, such as the annual G37 eye examination and a free flu vaccination, as well as G25 and G41 examinations for logistics and field staff. Appointments for health programmes can be booked via the intranet [GRI 403-3]. The "Employee Assistance Programme" pilot project carried out with an external service provider to help employees deal better with professional and private challenges was completed and its continuation in the same or a similar form was evaluated.

Furthermore, regular site inspections are carried out with the aim of creating possible improvements to working conditions. In 2020, a dedicated communication channel was launched under the name "aktiv & gesund" ("active & healthy"), which provides employees with sports programmes and tips and tricks on health in general, but also specifically for the time spent working remotely. Since 2021, the LMS has also had its own "active & healthy" area, which provides employees with inspiration on topics such as mindfulness and dealing with stress. To check the effectiveness of the measures, freenet DLS GmbH at the Büdelsdorf site successfully completed the procedure to obtain the German Corporate Health Seal in 2022 and achieved the silver seal level. The seal is valid until autumn 2025.

A key measure in Media Broadcast's occupational health and safety programme is the risk assessment, which describes the hazards associated with maintenance and repair work as well as construction and dismantling measures, and lists and regularly reviews protective measures. In addition to the risk assessment, Media Broadcast maintains written safety concepts with corresponding safety regulations, on which affected employees and contractual partners are trained accordingly. The issue of occupational safety at higher workplaces (radio towers, transmission masts) is of particular importance. Accordingly, precautions are taken to meet the high safety requirements for the protection of employees. All employees concerned are provided with individual protective equipment and safety equipment that always complies with the currently applicable occupational health and safety and accident prevention regulations as well as European standards (Regulation (EU) 2016/425, Directive 2014/34/EU, Directive 85/374/EEC). In addition, employees are required to attend

² Share of labour capacity lost because of health issues [(Sick days per calendar day * 100) / calendar days].

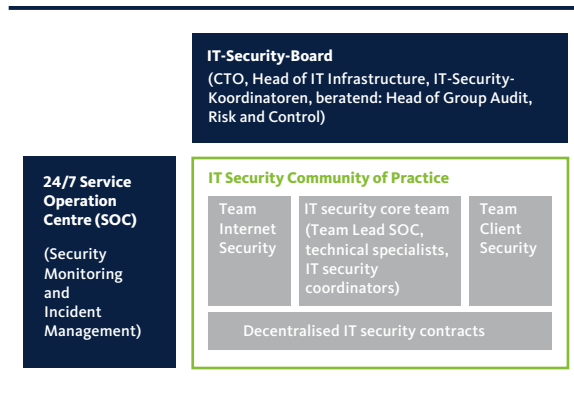
regular company medical examinations, participate in climbing/rescue exercises once a year and attend advanced seminars on fall protection and rescue measures every three years. Required legal and regulatory occupational health and safety training has been provided centrally at Media Broadcast as mandatory e-learning courses via the lawpilots platform since 2022 [GRI 403-5].

Digital responsibility

Management approach: The increasing number of reports on cyber attacks on companies and the misuse of customer data leads to the conclusion that the threat situation has generally increased. According to a recent study by the digital association Bitkom, almost the total German economy is now affected by data theft, espionage or sabotage, with cyber attacks being held responsible for almost three quarters of the damage. The perpetrators are more frequently associated with organised crime and are increasingly operating geographically from Russia and China. In addition, against the backdrop of the intended further digitalisation of society, data protection and data security are becoming an even greater focus for society and companies. In the information and communications industry, in which freenet operates, these two topics have already been particularly relevant in the past. On the one hand, due to a high level of legally defined requirements for data protection and information security, the regulatory framework of which is continuously being adapted. Secondly, due to a self-interest resulting from the ambition to achieve a high degree of digitalisation of its own business processes and the fact that millions of customers entrust freenet with personal data as part of the contractual relationship. Responsible behaviour is therefore essential for maintaining customer loyalty, reputation and, ultimately, freenet's success. Data protection and security are therefore one of the five principles of freenet's IT strategy.

Governance: Under the direction of the IT Executive Board (CTO), freenet IT centrally provides all IT services (e.g. workplace equipment or IT infrastructure) for the operation of the business. The information security guideline issued in 2018 forms the basis for handling data, systems and all information required in a digital workplace.

Figure 16: Central functions of the freenet IT security organisation



The IT security organisation of freenet AG comprises defined roles and responsibilities and a dedicated, binding process for security incident management. Central functions in the security organisation are performed by the IT Security Board as a decision-making body, the IT Security Coordinators for the central coordination of all security measures and also the decentralised IT security contacts in the individual IT areas. The IT Security Board is made up of the CTO, the Head of IT Infrastructure and the IT Security Coordinators. It is supported by the Head of Group Audit, Risk and Control in an advisory capacity. The IT Security Board defines the security concept and security guidelines. It also decides on the measures required to comply with these guidelines. In the event of an IT security incident, it serves as an escalation stage. The Client Security and Internet Security teams support the decentralised security contacts in their responsibility for IT security by using AI-based security technology to analyse and protect the Group network, clients and network traffic both within and at the external boundaries of the network. The threat situation is analysed and recommendations for action are developed. Together with the IT security coordinators and the SOC team management, the team specialists discuss IT security issues and emergencies at a professional and technical level in the IT security core team and provide the decentralised IT security contacts and the IT security board with sound professional and technical advice.

Internal security incidents and relevant external IT security threats are visualised using a dashboard, analysed by the IT security core team and finally the countermeasures are coordinated by security incident managers. In the event of a cyber attack, external partners also provide incident response support and carry out forensic analyses as required. In addition, freenet IT has a regularly tested crisis and emergency plan as well as a restart plan for the IT infrastructure and software applications in order to minimise potential outages or restrictions.

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The interdisciplinary cooperation of various IT functions in a community of practice, the involvement of the management level and, last but not least, the target group-oriented information about the low-threshold processing of IT security incidents by the Service Operation Center (SOC) and decentralised IT contacts illustrate the deep organisational anchoring of IT security awareness in freenet's corporate culture.

Actions: To ensure information security, largely automated security patch management has been an established part of regular operations in all IT areas since 2018. This enables freenet to react quickly and adequately to changing threat situations. In addition, the online portals are protected by intelligent threat detection and automatic defence. Since 2022, the email services of freenet's subsidiary freenet.de have been awarded the IT security label of the German Federal Office for Information Security (BSI). This means that freenet makes the conformity of its email services with relevant security standards transparent to customers and undertakes to rectify any vulnerabilities identified by the BSI or provide security updates.

Media Broadcast, as part of freenet, has also held ISO 27001 certification since 2013 and has introduced and certified procedures to ensure information security in the case of outsourced data processing with an established information security management system (ISMS). At the time of reporting, Media Broadcast was undergoing recertification in accordance with ISO 27001.

In addition, external security experts regularly carry out penetration tests of the exposed IT systems on behalf of Internal Audit in order to check the data security concepts. In addition, the reliability and security of the infrastructure and processes are regularly subjected to routine audits by supervisory authorities with different focal points. The most recent unscheduled inspection by the Federal Commissioner for Data Protection and Freedom of Information (BfDI) took place in 2019 and did not give rise to any significant objections. In addition, the Federal Network Agency (BNetzA) audited freenet's IT security concept in 2021 in accordance with Section 166 of the German Telecommunications Act (TKG) and concluded the audit without any objections.

Beyond the operational framework of IT security, Media Broadcast is involved in KRITIS – a joint initiative of the Federal Office of Civil Protection and Disaster Assistance and the Federal Office for Information Security for the protection of critical infrastructures. In 2020, Media Broadcast was one of the first companies in Germany to be confirmed as an operator of critical infrastructures in the "Media and Culture" sector in accordance with the national KRITIS strategy. As a platform operator for TV and radio, Media Broadcast takes this social mandate to maintain broadcasters in a crisis-proof manner very seriously. It is a member of the "Media and Culture" sector working group.

In addition to information security, IT and the management levels see data protection as another central task. The data protection officers, who are firmly established within the Group, work independently within the organisation to ensure compliance with data protection laws and regulations by providing advice and monitoring and are also responsible for monitoring the proper use of the data processing programs used to process personal data. All topics and projects relevant to data protection are coordinated in advance with the Group's data protection officer. The IT Control Committee of the Works Council is consulted on all IT measures that affect employee data. Furthermore, the Executive Board and Supervisory Board, or their committees, are regularly informed about relevant developments and requirements in the area of data protection. For freenet IT's service providers, it is already contractually ensured at the time of commissioning that both the data protection concerns of the customers within the scope of order processing and data security are guaranteed at the level required by regulation. Data protection audits are carried out at service providers and sales partners to check the implementation of data protection regulations. Where customer data is used for analysis purposes or for product design, an approval process ensures that it is pseudonymised or anonymised to the required extent.

In relation to the number of around 9.5 million subscribers with fixed-term contracts and 3,690 employees, there were only a very small number of complaints and enquiries about data protection in 2023 – as in the previous year. The data protection department ensures that customers and third parties can assert their legally guaranteed rights and that claims are fulfilled promptly. These are mainly requests to fulfil the information obligations under Art. 15 of the European General Data Protection Regulation (GDPR) or requests for data erasure in accordance with Art. 17 GDPR. In the financial year, there was one substantiated complaint relating to a breach of customer data protection (previous year: 0). The breach was not related to events from previous years. Furthermore, as in the previous year, there were no identified cases of data theft and data loss in connection with customer data [\[GRI 418-1\]](#). The breach was immediately rectified and reported to the responsible supervisory authority. As in the previous year, no sanctions, including fines, were imposed on freenet AG companies for violations of data protection in 2023.

freenet has implemented the comprehensive requirements of the GDPR throughout the Group and defined and introduced guidelines and processes for dealing with them. freenet customers should be able to achieve extensive transparency with regard to the processing of their personal data. freenet ensures this by providing extensive information on this topic in the “Data protection” section of its online presence. The content is regularly evaluated and adapted in terms of its comprehensibility – also taking into account customer enquiries from the Customer Care Centre. In addition, every customer can request information about what data is stored about them and request that it be corrected or deleted. This enables customers to decide for themselves what to do with their data. In the customer area of the freenet website, every customer is also given the opportunity to view their own inventory data and any consents they have given and to change them if necessary. In response to the increasing threat to our customers’ digital sovereignty posed by identity theft, freenet began this year, in consultation with the BfDI, to increase the authentication requirements in the call centre. In future, all customers will have to authenticate themselves with a so-called service PIN before starting a call. This will initially be assigned to customers by freenet.

In addition to the data protection regulations, all freenet employees are obliged to comply with freenet’s regularly updated confidentiality instructions. An extensive wiki and online training courses on data protection and data security are available to them at any time for their own further training. In addition, teams that are particularly frequently confronted with data protection issues receive task-specific training from the respective data protection officer. Since 2022, all employees at Media Broadcast have received mandatory annual training on data protection and information security. The training courses are mandatory instructions that are carried out as centralised e-learning courses and concluded with a learning success check or a certificate. A register of processing activities for all data processing processes is kept for all key areas of the company and regularly checked to ensure that it is up to date. Furthermore, regular analyses of the level of protection are carried out for the processing of customer data in order to derive appropriate measures.

Customer matters

Overarching approach and control

It is crucial for freenet AG’s business success to acquire new customers and retain existing customers. Accordingly, the subscriber customer base, which is made up of various relevant customer groups, is integrated into freenet AG’s management system as a non-financial performance indicator (see Corporate management).

Increasing digitalisation and changing lifestyles are also changing the needs and requirements that customers place on the service provided. In line with its corporate vision, freenet always wants to be the right choice for all stakeholders, especially for its customers. The service promise therefore includes needs-orientated and customer-focused advice. The exchange with the customer takes place via various contact points. As a learning organisation, freenet AG constantly optimises existing and develops new products and services in accordance with legal requirements and its own high standards in order to remain successful on the market in the future. This applies in particular to the saturated mobile communications market in Germany, where the maintenance and quality of customer relationships play an important role.

Customer-centred action based on the interests and needs of customers is therefore at the heart of our activities. The aim is to consistently align brands and products with the respective customer needs and expectations in order to strengthen customer acquisition and loyalty. This also includes the trustworthy, data protection-compliant handling of customer data (see Digital responsibility) and the consistent implementation of consumer protection.

freenet protects the consumers of its services from the conclusion of the contract throughout the total contract term and also includes the disposal of old devices. When the new Telecommunications Act came into force in December 2021, the right of cancellation was modified and additional information obligations were introduced before the contract was concluded with the aim of strengthening consumer protection in Germany. The change in the law required extensive procedural and system-related adjustments, which freenet implemented on time. In addition to the provision of product information sheets for each tariff offered, there is also an obligation to provide telecommunications customers with a clear and easy-to-read summary of the terms and conditions of the contract before the contract is concluded, which contains specified, comprehensible information about the contract.

To ensure the proper disposal of old devices and avoid negative consequences for the environment and people, freenet ensures that ordered products (such as smartphones or accessories) are sent to the customer together with the manufacturer’s original operating instructions with product description and instructions for proper disposal. In addition, freenet customers can obtain information in the shops/stores or online about the existing environmentally friendly options

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for returning old devices to their contractual partner or to recognised collection points. In addition to professional recycling, freenet also organises, for example, a purchase service for old devices (see Sustainable product solutions and product innovations) [\[GRI 417-1\]](#).

As part of the materiality analysis, freenet AG has identified the following customer-related topics that are seen as essential for a positive customer experience, customer satisfaction and thus for the development of the non-financial performance indicator “subscriber customer base”:

1. Service quality
2. Network quality
3. Sustainable product solutions and product innovations
4. Digital participation

Overall responsibility for all direct customer interaction and the presentation of products and offers lies with the Chief Executive Officer (CEO). In this context, the Customer Service Management (CSM) unit, which reports regularly to the CEO, manages customer satisfaction in relation to the quality of customer service. The Chief Customer Officer (CCE) is responsible for all activities from new customer acquisition and existing customer care to customer recovery and the expansion of a customer-centred corporate culture. To implement these plans, two centralised corporate units were established in the Executive Board department: (1) Market Research & Customer Advocacy and (2) Customer Management. The former is primarily responsible for market research and customer surveys, while the latter unit is responsible for the planning, management and implementation of all interactive processes throughout the customer cycle.

Service quality

Management approach: Service quality is seen as a strategic asset for the company’s success at freenet AG, which has around 9.5 million subscribers, as loyalty can be strengthened and cross-selling and up-selling potential realised. The service concept of freenet AG is based on the inclusion of customer service, the integration of shops/stores and a comprehensive digital range of customer contact options. An important element for improving service quality is the regular, systematic analysis of the main drivers for (service) contacts with customers. The results of the analysis enable continuous improvement of the customer experience through the expansion of services with the economic goal of extending the customer life cycle and actively preventing customer churn.

Governance: In addition to integrating external market research studies, conducting regular customer satisfaction analyses (CSA) is an important management tool. The latter provide information on satisfaction, expectations and potential for improvement of the customer experience and enable a dedicated measurement of perceived service quality across the total customer lifecycle at all service touch-points. In addition to the continuous development of the customer experience, the aim of CSA is to achieve long-term customer loyalty.

The CSA in customer service (service CSA) is based on an established system of key figures and target values and thus enables conclusions to be drawn about service quality. It includes recurring as well as changing and open questions. The Market Research & Customer Advocacy and CSM departments are in regular dialogue with regard to customer satisfaction trends in order to evaluate possible development potential and derive measures.

In line with a holistic approach – not just limited to customer service – customer satisfaction in the mobile communications segment is regularly recorded by the Market Research & Customer Advocacy department along the total customer journey and at defined measurement points, e.g. after signing a contract, at the end of the customer development phase or after a contract extension. The results of the service CSA are also included in the evaluation. Only customers with 24-month contracts, permission to advertise and an existing e-mail address are surveyed as part of the CSA. Customers rate their satisfaction on a rating scale from 1 (very satisfied) to 5 (very dissatisfied).

The results are aggregated monthly as an average value, taking into account different weightings of the measurement times, to form the key figure “Customer satisfaction mobile communications”. The key figures reported here correspond to the average value of the monthly satisfaction rating by the customers surveyed and, with a satisfaction rating of 2.4 for the 2023 financial year (previous year: 2.4), once again indicate above-average satisfaction (rating scale 3.0 = customer neither satisfied nor dissatisfied). As a cross-departmental management tool, the CSA contributes to effective customer satisfaction management. The customer satisfaction survey is to be extended to the TV division in the future.

Actions: In order to be future-proof and competitive, particularly in the area of telephone customer service, customer service was outsourced to Capita Customer Services GmbH (Germany) in 2017 as part of a business process outsourcing programme. The CSM department is responsible for and ensures cooperation with the partner. A comprehensive control structure and the permanent evaluation of customer contacts ensure compliance with agreed performance indicators based on a bonus-malus system and a continuous improvement in service quality. To this end, the partner organises regular employee training courses and monitors compliance with discussion guidelines, the content of which is continuously coordinated and agreed with the CSM department.

To safeguard customer service during the coronavirus pandemic, freenet AG concluded an agreement on “alternating teleworking to provide customer service” in 2021. The agreement was continued in 2023 in order to secure an important competitive advantage in a labour market characterised by a shortage of skilled workers. All data protection requirements were complied with and are reflected in the aforementioned agreement.

freenet has been pushing ahead with the expansion of digital customer dialogue since 2018. In the 2023 financial year, the proportion of freenet mobile communications customers (with fixed-term contracts) who have access to the “mein Konto” self-service portal (freenet-mobilfunk.de) increased to 66% (previous year: 61%). At the same time, the proportion of freenet contract customers with access to the “freenet mobile communications” customer app rose to 34% (previous year: 29%).

The range of functions within the self-service portals “mein Konto” (freenet-mobilfunk.de) and “mein Klarmobil” has matured significantly in recent years, allowing customers in these portals to view their used data volume, book new data volume, block third-party providers, change master data, view invoices or block a SIM card due to theft or loss, for example. In 2023, the focus was therefore not on expanding additional functions, but rather on increasing the use of the digital offering by customers.

Since July 2022, freenet customers have also had the option of cancelling long-term contracts (including fixed-term mobile phone contracts) online using a “cancellation button”. This option was also well received in the 2023 financial year.

The WhatsApp communication channel was switched off in October 2023 due to technical obstacles without any noticeable effect on customer satisfaction. Instead, the implementation of a web-based customer chat based on state-of-the-art bot technologies is planned for 2024. The necessary conversion of the technical infrastructure was completed in the 2023 financial year.

Since December 2023, the test operation of a so-called “phone bot” for freenet FUNK customers has been gathering insights into the use of conversational AI technology with the aim of further increasing customer satisfaction and the degree of automation. If the test phase is successful, this technology will be used for all of freenet AG’s mobile phone brands.

In 2024, the automation rate is to be further increased through increased use of digital self-service offerings and the volume of customer contact is to be further reduced by simplifying business processes and improving customer communication. In December 2023, the automation rate for the freenet brand totalled 49.3%, an increase of five percentage points compared to December of the previous year. freenet’s customer service is not limited to the virtual world, but is also firmly established in bricks-and-mortar retail. In addition to assistance with activating and blocking SIM cards, freenet also offers the issue of replacement SIM cards in its shops, for example.

Network quality

Management approach: Whether in the private sector, public institutions, cable network operators or TV broadcasters – modern working practices and successful business activities only work with stable and future-proof networks. Ensuring the availability and quality of the services offered by freenet AG via various network infrastructures is therefore central to customer satisfaction. In the area of mobile communications, the possibility of exerting influence is limited overall, as the responsibility in this regard lies with the mobile network operators from whom freenet AG obtains its services as a mobile service provider. Media Broadcast, on the other hand, plans, builds and operates networks and is the market leader in digital terrestrial TV and radio broadcasting (DVB-T2 and DAB+) in Germany. This market position has been achieved over the last ten years through innovation, entrepreneurial risk-taking and competition. As an experienced IT and service partner for contribution and distribution networks, Media Broadcast develops customised solutions for nationwide, regional and local network operations. Network quality is therefore decisive for product quality, which means that the TV and media segment is of great importance and has a greater influence than the mobile communications segment.

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Governance: The IP backbone is central to the solutions offered by Media Broadcast. The software-defined network connects Germany's broadcasting and media industry at high speed in a secure, closed environment. Flexible services and solutions for the individual needs of customers are developed on this network structure. The architecture as a software-defined network fulfils the customer's demand for flexibility with high security and availability. A high level of security is offered for all services, which is guaranteed by dedicated data centres, a closed network structure, fully redundant transmission of signals and 24/7 monitoring. Within Media Broadcast, network planning, design and monitoring are the responsibility of three departments within the Product Management division, which reports directly to the company's management.

The key indicator for evaluating production quality is the KPI "downtime minutes per year". This key performance indicator reflects both the stability of the network and the functioning of operational processes. The indicators "Number of SLA violations per year" and "Compliance with recovery time per year" show how the production quality requirements are met in relation to agreed service level agreements (SLA).

Actions: We are continuously working on the quality and further expansion of all transmitter networks, innovative technologies (e.g. small-scale DAB+ or tunnel coverage) and the further development of applications to increase user-friendliness. 5G and possibly 6G broadcasting is a promising standard as a possible, long-term successor technology to DVB-T2. The long-term preservation of frequency allocations to broadcasting is a key factor for the long-term success of 5G broadcasting. The company is therefore committed to 5G broadcasting, both in the context of further development in various committees and working groups as well as in the context of pilot tests.

Furthermore, processes are in place to continuously improve production quality for the elements of transmitters, antennas, infrastructure, contribution/distribution networks and network hardening. An established network performance monitoring system monitors production elements such as transmitters, antennas, infrastructure (e.g. space, power, heat dissipation or access), contribution/distribution networks and platforms (DVB-T2 and DAB+) using various parameters.

As a critical infrastructure service provider (KRITIS), Media Broadcast is also subject to special requirements in terms of reliability, security and confidentiality. The standards for this are set by the IT Security Act (IT-SiG) and the Federal Network Agency. In order to fulfil the requirements, robust system integration including a security concept and a comprehensive network management concept are necessary. Media Broadcast fulfils these requirements, which are regularly checked and monitored by internal and external audits. In addition, a certified information security management system in accordance with ISO 27001 has been in place since 2014. At the time of reporting, Media Broadcast was undergoing recertification in

accordance with ISO 27001. Quality requirements for the network structure are defined by customer expectations as well as relevant legal and regulatory requirements and are subject to a continuous improvement process through the certified quality management system (ISO 9001).

Sustainable product solutions and product innovations

Management approach: In addition to price, customers are increasingly looking at sustainability aspects when selecting products. This is also confirmed by our own survey from 2023, according to which freenet customers attach particular importance to aspects of the circular economy, such as recyclability and the availability of refurbished devices as well as durability and reparability, when selecting devices.

For freenet, this increases the relevance of incorporating these aspects into the composition of the product portfolio or product innovations and communicating them to customers accordingly. Strengthening sustainable product solutions and services in the product portfolio is therefore important to freenet AG in order to appeal to customers who also prioritise sustainability in their digital lives. The aim is to give consumers the opportunity to contribute to the conservation of resources, for example when choosing a smartphone or by extending its useful life. freenet AG therefore intends to expand its range of sustainable products and services.

Governance: Category Management in the Customer Management department, which reports directly to the Chief Customer Officer (CCE), is responsible for the pre-selection of potential new mobile communications products, such as smartphones and accessories, at freenet AG. Before a new product is added, the department compiles a product-specific catalogue of criteria that also takes sustainability aspects into account, e.g. the external image and corporate philosophy of the potential provider. In terms of product features, criteria such as quality, product life, material composition and packaging are critically scrutinised during the selection process. The final decision in favour of or against inclusion in the portfolio is ultimately made in close coordination between sales and purchasing in order to take all relevant perspectives (sustainability and marketing aspects as well as conditions) into account. The existing product portfolio is also subject to regular monitoring and is adjusted if necessary.

The main focus when selecting products is on environmental aspects and extending the product life cycle. There is no established concept with fixed criteria and a fixed process definition for the selection of products or suppliers. Minimum social requirements for suppliers are defined via the Supplier Code of Conduct (see supply chain and human rights due diligence).

Actions: In the 2023 financial year, freenet AG expanded its range of sustainable devices for various customer groups. In addition to the rephone, freenet has been marketing the sustainable smartphone model Nokia G22 in the entry-level segment and sustainable smartphones from the manufacturer Fairphone in the mid-price segment since 2023. In the upper price segment, freenet has been marketing refurbished goods from the manufacturer Apple since 2023.

In the Accessories division, freenet has been cooperating with Green MNKY, a specialist for sustainable device protection films, since 2021. Green MNKY's high-precision cutter enables freenet AG shops to cut screen protectors to exact dimensions, eliminating around 97% of the usual packaging waste for equivalent products. In 2022, freenet also added sustainable screen protectors and smartphone cases made from GRS-certified recycled plastic from the manufacturer db Bramante 1928 to its range and further expanded the sales partnership in 2023. Selected shops also have their own db Bramante 1928 product wall displaying the available range.

For 2024, the installation of a sustainability wall is planned in all newly opened Gravis stores, which will be equipped with corresponding product offers to draw customers' attention to the sustainable product range. These include products from Gravis' own brand Networx Greenline, under which Gravis markets a sustainable alternative for certified Apple accessories. The material mix saves over 30% plastic in individual products compared to the previous own-brand equivalent. Transport to Germany is by rail in order to minimise the CO₂ footprint. In addition to the top 20 sales products already transferred to the Greenline in the previous year, five more products were added to the Greenline range. The Networx Greenline product portfolio is also to be further expanded in 2024.

freenet also enables customers to utilise resources efficiently through sales innovations. With freenet FUNK and freenet FLEX, two purely app-based tariffs are offered that – apart from sending the SIM card – do not require any paper along the customer journey (see corporate environmental protection). The app-controlled internet service “freenet Internet”, which was launched in 2022, works according to the same principle.

In addition to sustainable products, freenet also offers a range of services to enable customers to achieve sustainability in their digital lives. For example, the sale of refurbished products, including smartphones, has been a focus since 2020. By offering a purchase service for mobile devices such as smartphones and tablets, freenet is also making a further contribution to conserving resources and reducing electronic waste. In collaboration with external service providers, a fair market purchase value is determined for the old device, which is paid out to the customer in the form of a voucher or cashback. To specifically incentivise the use of the purchase service, freenet also runs purchase bonus campaigns for devices in cooperation with manufacturers. Compared to the previous year, the number of devices traded in via the trade-in programmes offered by freenet increased significantly to over 48 thousand devices (previous year: just under 12 thousand devices). The target of increasing the proportion of freenet shops offering a trade-in service to around 90% by the end of 2023 was slightly exceeded. For 2024, the company plans to further digitalise the purchase process and integrate it directly into the online ordering process in order to increase customer awareness of the responsible return of old devices. Appliances that can no longer be returned to the market will be disposed of by certified specialist companies and the raw materials recycled. Customers can also make use of additions for recycling directly at freenet by returning old devices (such as smartphones or tablets) free of charge or by depositing them directly in specially designated recycling boxes in the shops.

In addition to purchasing old devices, freenet contributes to extending the product life cycle by offering insurance and repair services. freenet customers can insure their newly purchased and, since January 2023, older devices against all damage that is not covered by the dealer warranty or manufacturer's guarantee. The shops/stores also serve as repair centres.

freenet added a new provider to its range of smartphone rental models in the 2023 financial year. At the end of the rental period, the devices are returned by the customer. Returned devices are refurbished by the cooperation partner and put back on the market. This means that they can be used for longer and therefore conserve resources.

The product range also includes services that fulfil customer requirements for data security solutions. Here, freenet offers a comprehensive range of security software and participates in initiatives such as “trustedDialogue” and “E-Mail made in Germany”. The latter association of German e-mail providers guarantees freenet.de e-mail customers a high level of security and data protection in their daily e-mail traffic.

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Digital participation

Management approach: Many areas of life, i.e. many activities and processes, are increasingly permeated by digitalisation. Smartphones and other internet-enabled devices are becoming increasingly important in everyday life and make it easier to participate in social life, for example. Digitalisation offers many opportunities and is seen as a key driver of progress. On the other hand, however, everyone must also be given the opportunity to participate in digital life so that digitalisation does not lead to social exclusion. freenet strives to give almost every citizen access to the digital world through a broad portfolio of tariffs and services in mobile communications as well as TV and media.

Governance: Based on systematic market and customer analyses, freenet is continuously developing its portfolio of customer-oriented mobile communications and TV tariffs as well as telecommunications-related services. The relationship with the three German network operators enables freenet AG to design a product portfolio ranging from discount to premium tariffs in the areas of mobile communications and Internet. With this diversified brand and portfolio approach, a large number of customer groups and needs can be covered.

Actions: One of the barriers to participating in digital life is the associated costs. Thanks to the range of tariffs with low prices, freenet also offers low-income earners and socially disadvantaged groups a portfolio of mobile communications and TV products. Since 2004, freenet has also enabled customers with a poor credit rating who have failed the credit check for fixed-term offers to participate in digital life via a special deposit model³. In addition to affordability, a lack of digital/media literacy also prevents people (e.g. older people) from participating in digital life. freenet customers are therefore offered a diversity of set-up services in the freenet shops/stores or Gravis stores to help them find their way around after purchasing a smartphone through trained staff. Direct contact is important to break down barriers, but it is not the right approach for everyone. This is why freenet maintains a variety of other channels that enable customers to increase their digital media skills or get in touch with the company.

Since 2018, freenet has been focusing on the strategic expansion of digital customer dialogue in particular, including via chat functions or self-service in the app. A positive side effect is that people with physical or mental disabilities also have equal and equivalent access to freenet AG's services, as accessibility now also includes digital and communication barriers. Since February 2023, freenet has offered deaf and hearing-impaired customers an interpreter customer service via a separate hotline. This interpreting service is provided by the external partner "Tess Relay". The hotline number is published in the FAQ, among other things, and prioritised processing is ensured. Another service, especially for younger stakeholder

groups, is the freenet magazine, which provides answers to questions about products, tariffs and technology from the world of digital lifestyle in magazine format. In the 2023 financial year, freenet also expanded its media literacy offering with the introduction of the digital service "freenet Handyhelfer". The new product, which is currently being tested in selected shops, is intended to provide freenet customers with additional support when they face technical challenges.

With the help of additional products and services, freenet AG would also like to make a contribution to the digitalisation of educational institutions. With "Gravis macht Schule", Gravis supports educational institutions in the selection of suitable devices, their implementation in everyday school life and maintenance. The Cloud, also a subsidiary of freenet AG, supports schools in planning, setting up, installing and maintaining WiFi networks as part of the German government's DigitalPakt Schule programme. At the end of 2023, The Cloud was supporting around 360 schools (previous year: around 450). In Büdelsdorf, the headquarters of freenet AG, the Group is also involved in the "Büdelsdorf goes Multimedia" initiative in partnership with the town of Büdelsdorf to teach schoolchildren how to use modern media and the internet responsibly. Since 2001, freenet has provided a total of EUR 700 thousand for the development of network infrastructure and the purchase of hardware and software.

For freenet, promoting the participation of young people in digital life also means protecting them within this framework. In the area of youth protection, freenet is therefore expressly committed to the requirements of the Interstate Treaty on the Protection of Minors in the Media, has installed youth protection officers in the Group and is a member of the non-profit organisation JusProg e.V., which has set itself the task of better protecting minors on the Internet.

Corporate environmental protection

With its own business activities in the areas of mobile communications, Internet and TV entertainment, freenet causes CO₂ emissions and thus contributes to climate change. In addition, its business activities have an impact on the availability of resources. In the mobile communications segment, energy and resource consumption is essentially limited to administrative and logistics locations in Germany, the vehicle fleet and the approximately 500 shops/stores across Germany due to the service provider model. With a share of around 82% of total electricity consumption, Media Broadcast GmbH (TV and media segment) is the largest energy consumer within the Group as the operator of a Germany-wide infrastructure for digital television and radio. The freenet subsidiary consumes energy at 776 (previous year: 779) transmitter sites/radio towers to supply the broadcasting and transmission technology.

³ The deposit is staggered in 50/100/200/400 euros. Paying the deposit enables the respective customer to use mobile services within their selected tariff. Moreover, the customer benefits from the bundle with a subsidised handset.

freenet recognises the negative effects of its business activities on the environment and intends to keep the CO₂ emissions it causes as low as possible with the help of a targeted management approach, specific targets and effective measures. The company is in favour of the expectations and efforts formulated in the political and social context with regard to climate change mitigation and CO₂ neutrality, supports the Paris Climate Agreement and plans to align its business processes with the 1.5 degree target in future. Based on the annual greenhouse gas balance sheet, levers and measures are identified that contribute to the reduction of CO₂ emissions and thus to the mitigation of climate change. Last but not least, this also serves the purpose of meeting the greatly increased expectations of society, regulators and the capital market with regard to structured disclosures and targets for this area.

In addition to its own reporting in the non-financial statement, freenet has supported the Carbon Disclosure Project (CDP) since 2018. As a CDP Discloser, freenet AG makes the effects of its business activities on the environment transparent with the annual disclosure of climate data, in particular on CO₂ emissions.

Energy consumption and CO₂ emissions

Management approach: freenet attaches great importance to the efficient and economical use of energy and fuels in order to sustainably reduce the CO₂ emissions caused throughout the Group. With regard to its own emissions (Scope 1 and Scope 2), freenet has set itself the goal of achieving CO₂ neutrality by 2030 and is currently developing a detailed transition plan for climate change mitigation. The net-zero target relates to the CO₂ emissions that freenet can directly influence. freenet has already identified the use of renewable energies and the gradual electrification of its own vehicle fleet as key levers for decarbonisation. Another starting point is the reduction of Group-wide energy consumption by increasing energy efficiency.

An additional liability for the Executive Board is created by integrating the net zero target into the long-term variable remuneration.

Governance: The Group Facility department is responsible for purchasing energy resources (electricity and gas contracts) for the administrative and logistics locations as well as the shops/stores. The Fleet Management department is responsible for managing the Group-wide vehicle fleet. Both departments report to the Human Resources and ESG Board department. Due to its high energy requirements, Media Broadcast has its own Real Estate Management (REM) department and an energy management officer who reports directly to the Media Broadcast management via the "General and Administration" department. The freenet subsidiaries EXARING and The Cloud also conclude decentralised energy contracts for their locations.

Media Broadcast's energy management is part of an integrated management system based on the requirements of ISO 50001, which controls and monitors environmental protection in addition to quality, occupational health and safety, safety and data protection. An ISO 14001-certified environmental management system (EMS) was also introduced for the latter in 2008. The centrepiece of the EMS is the environmental protection and energy guideline, which defines the significance, objectives, activities and their implementation and review. Furthermore, it has been established internally that only ISO 14001-certified suppliers and waste disposal companies may be commissioned, e.g. for the dismantling or removal of transmitters. Activities such as transmitter and antenna maintenance are sometimes associated with the handling of hazardous substances; a special duty to inform and advise applies here. Every Media Broadcast employee is instructed annually and must provide evidence of this. The instructions are tool-based and take place in accordance with the latest legal and regulatory laws and requirements, with mandatory certification for each employee. To regularly assess Media Broadcast's compliance with environmental regulations, a legal register is kept, the results of internal and external audits are documented and their implementation is tracked. To date, no fines or non-monetary sanctions have been imposed for non-compliance with environmental protection laws and regulations.

In freenet's business model, greater energy efficiency can also be achieved through technological optimisation and digitalisation. This is illustrated, for example, by the switch to the DVB-T2 standard in the TV business or the replacement of the FM standard with the more energy-efficient DAB+ transmission standard in the broadcasting business area of Media Broadcast. Energy efficiency is also anchored as a key sustainability aspect in the purchasing guidelines and the Supplier Code of Conduct. In the latter, suppliers are encouraged to use energy and limited resources consciously and sparingly.

freenet sees effective levers for reducing the fuel consumption of the vehicle fleet in the low-consumption and low-emission composition of the vehicle portfolio and its gradual electrification. The targeted incentivisation and creation of solutions for climate-friendly travel for employees to the locations should also contribute to the reduction of CO₂ emissions. In the 2023 reporting year, the company came one step closer to its declared goal of increasing the proportion of hybrid or electric vehicles in the Group to over 20% of the total vehicle fleet by the end of 2024, despite long delivery times and increased leasing costs. The proportion of electric and hybrid vehicles doubled from around 9% in the previous year to 18%. This was accompanied by the further expansion of the charging infrastructure at the company's locations.

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Group-wide energy consumption at freenet AG was reduced to 85.1 GWh in 2023 (previous year: 87.1 GWh). Around 80% (70.1 GWh) of energy consumption is accounted for by electricity consumption and district heating, with the majority of electricity consumption relating to the operation of Media Broadcast's transmission infrastructure. The other approx. 20% (15.0 GWh) of total energy consumption is attributable to heating and fuel consumption.

At 5,668.9 tonnes of CO₂ eq, market-based CO₂ emissions from the use of energy (total of Scope 1 and Scope 2) in the reporting year were around 14% below the previous year's figure of 6,566.6 tonnes of CO₂ eq, which is primarily due

to the increase in the share of renewable energy sources in total electricity consumption. The CO₂ intensity (in relation to Scope 1 and Scope 2 market-based) fell to 2.2 tonnes of CO₂ eq/million revenue with revenues roughly at the previous year's level. At 3,253.6 t CO₂ eq, Scope 3 emissions (before offsetting) were roughly on a par with the previous year (3,310.5 t CO₂ eq) and to date mainly comprise emissions from the use of the employee vehicle model, parcel shipping, the production of standard contract documents and travel activities. For the 2024 reporting year, it is planned to determine further relevant Scope 3 emissions in accordance with the categorisation of the GHG Protocol in order to supplement freenet's CO₂ footprint with the influence of the value chain.

Table 26: Energy consumption and CO₂ emissions [GRI 302-1, 305-1, 305-2, 305-3, 305-4, 305-5]

Units as indicated	Unit	2023	2022 (adapted) ¹	2015 ² (base year)
Energy consumption (total)	GWh	85.1	87.1	156.0
Electricity consumption/district heating (Scope 2) ³	GWh	70.1	72.0	134.0
Thereof Media Broadcast	GWh	55.9	58.1	116.2
Heating and fuel consumption (Scope 1) ⁴	GWh	15.0	15.1	21.9
Electricity from renewable energy sources (total electricity consumption)	GWh	65.2	65.6	46.8
Share of electricity consumption from renewable energy sources in total electricity consumption ⁵	%	96.5	94.2	34.9
Share of electricity consumption from renewable energy sources through controlled sourcing in total electricity consumption	%	99.4	99.0	k.A.
CO₂ emissions (Scope 1, 2, 3) – market-based after offsetting	t CO₂eq⁶	8,714.4	9,630.0	75,146.2
CO₂ emissions (Scope 1, 2, 3) – location-based after offsetting	t CO₂eq	36,046.7	35,987.3	78,633.1
Direct CO ₂ emissions (Scope 1) ⁷	t CO ₂ eq	3,240.2	3,265.5	4,632.3
Indirect CO ₂ emissions (Scope 2) – market-based ⁸	t CO ₂ eq	2,428.6	3,301.2	67,151.3
Indirect CO ₂ emissions (Scope 2) – location-based ⁸	t CO ₂ eq	29,761.0	29,658.5	70,638.2
Other indirect CO ₂ emissions (Scope 3) before offsetting ⁹	t CO ₂ eq	3,253.6	3,310.5	3,362.6
Other indirect CO ₂ emissions (Scope 3) after offsetting ⁹	t CO ₂ eq	3,045.5	3,063.4	3,362.6
CO₂-intensity (Scope 1, Scope 2 market-based)	t CO₂eq / million revenues	2.2	2.6	23.0
CO₂-intensity (Scope 1, Scope 2 location-based)	t CO₂eq / million revenues	12.6	12.9	24.1

¹ The values for 2022 were adjusted retrospectively, mainly due to an adjustment to the procedure for determining the electricity consumption of the shop chain and the first-time recording of Group-wide heating consumption in 2023.

² 2015 = base year, as retrograde, consolidated reporting of energy consumption and CO₂ emissions was carried out for the first time for this year.

³ Electricity consumption is calculated by also taking into account appropriate estimates and extrapolations.

⁴ Fuel consumption includes the utilization of diesel and petrol for the company car fleet as well as Group-wide heating consumption. Group-wide heating consumption was determined for the first time in 2023 using appropriate estimates and projections (previously only recording utilization from direct natural gas contracts). The previous year's figure was adjusted accordingly to ensure comparability. The conversion factors of the UK Department for Environment, Food and Rural Affairs (DEFRA) are used to convert fuel consumption into GWh and CO₂ emissions.

⁵ Calculated by taking into account the German electricity mix plus actual energy purchases from renewable energy sources.

⁶ CO₂ eq = CO₂, CH₄ and NO₂.

⁷ Emissions from the use of refrigerants were not taken into account for reasons of materiality.

⁸ To determine the indirect, market-based CO₂ emissions, the amount of electricity from renewable energy sources is recognised as CO₂ neutral; all other electricity quantities are converted using the same conversion factor as for the location-based method. The conversion of electricity consumption into indirect, location-based CO₂ emissions is carried out using a standardised Group-wide conversion factor, regardless of the actual purchase of renewable energy (source emission factor: German Federal Environment Agency).

⁹ Indirect emissions (Scope 3) include emissions from (1) the employees' vehicle model, (2) travel activities (flights, rail travel, hotel accommodation, car hire bookings), (3) payment services, (4) the production of standard contract documents in customer communication and (5) parcel shipping (logistics). The Scope 3 emissions in the base year (2015) only include CO₂ emissions from (1). CO₂ emissions for items that were offset are recognised as CO₂ neutral in the "after offsetting" figure.

Actions: Statutory energy audits are carried out at freenet regularly, but at least every four years, in accordance with Sections 8-8d EDL-G (Act on Energy Services and Other Energy Efficiency Measures). The last Group-wide energy audit was carried out in the 2022 financial year. The resulting recommendations for improving energy efficiency are taken into account after weighing up the costs and benefits and in accordance with the requirements of DIN EN 16247-1.

Energy efficiency was also prioritised during the comprehensive energy refurbishment of the company's own office and administration building in Büdelsdorf, which was completed in December 2022. In addition to the energy-efficient thermal insulation of the façade and roof, modern building technology was installed with the installation of a ventilation system, a heat pump and an automated LED lighting system. In addition to its logistics sites, freenet also converted its own shops and the administrative site in Erfurt to LED lighting technology in the reporting year.

In order to further reduce fuel consumption within the Group and drive forward the electrification of the vehicle fleet, freenet is offering targeted incentives. To promote climate-friendly travel by employees to the locations, freenet offers a leasing model for bicycles/e-bikes, which has been positively received by the company with over 100 (electric) bicycles ordered in the past financial year and around 270 (electric) bicycles ordered since its introduction in 2021. In addition, freenet subsidises the use of local public transport and contributes to the costs of setting up private charging stations for electric vehicles at the homes of employees who are entitled to company cars. In order to further increase employees' willingness to embrace e-mobility, seven charging stations were installed at the company's locations in the past financial year. This increased the number of e-charging points from 15 to 22.

In addition to the infrastructure, the corresponding range of vehicles is also being created. In 2023, the portfolio of employee vehicles comprised four electric vehicle models from different manufacturers to enable every employee to choose an electric vehicle as part of the employee vehicle model. As a result, the number of registered electric vehicles in the Group almost doubled compared to the previous year. Some of the vehicles in the central logistics area and in the company's own vehicle pool, which is used for business trips, have also been electrified.

In order to reduce CO₂ emissions from travelling, freenet makes its employees aware of the need to consider sustainability aspects when planning business trips. For example, information and tips for reducing the CO₂ footprint are displayed in the booking portal for every planned trip. Travel bookings are made Group-wide according to a standardised travel booking process based on a travel policy that explicitly points out, among other things, that virtual meetings are preferable to physical ones. In addition, the labelling of sustainably certified hotels in the travel booking tool is planned for 2024.

Resource consumption

Management approach: freenet has anchored the digital-first approach in its mission statement. In external communication with customers and business partners as well as internally, digital channels and platforms are to be prioritised, used and further expanded. This leads to a reduction in the use of materials (e.g. paper) and shipping volumes. In logistics, the topic of environmental sustainability in the sense of a holistic view of the value chain is becoming increasingly important. freenet is striving to further reduce the use of resources in logistics.

Governance: Various departments are responsible for managing the use of operational resources and are affiliated to the IT Executive Board (CTO) and the Chief Financial Officer (CFO). For example, the Billing and Customer Management departments are responsible for digitalisation projects in customer communication. The Supply Chain Management department in the CFO's division is responsible for processes to reduce the use of resources in logistics. In cooperation with various transport service providers, freenet's central logistics department is working on making the shipping of parcels more climate-friendly in the coming years. The company already ensures that logistics partners are certified in accordance with ISO 14001 in addition to their obligations to optimise the provision of services for freenet's customers.

In addition to the digital networking of sales channels, the main focus for minimising freenet's resource consumption is on the digital dispatch of standard contract documents (invoices and daily mail) and accompanying letters (delivery notes and returns labels). Other key factors include material savings in packaging (cardboard and fillers) and the use of climate-neutral shipping services for the transport of hardware (smartphones, SIM cards, accessories) between locations and to customers.

GROUP MANAGEMENT REPORT

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Actions: Digital invoicing is an important area for saving paper. The proportion of invoices issued digitally in mobile communications increased further to 98.8% in 2023 (previous year: 97.7%). In addition to expanding the digitalisation of billing for private customers, the focus was on business customers, who were notified in the fourth quarter of 2023 about the planned complete switch to digital billing by summer 2024. There are limits to the further expansion of digital invoicing due to the already high level of coverage and against the backdrop of regulatory requirements. It can therefore be assumed that the rate will remain fairly constant in future.

In the TV and media sector, subscriptions are taken out almost exclusively digitally and standard contractual documents are also transmitted to the customer digitally. This applies equally to freenet TV and waipu.tv customers. The initiatives thus contribute to automating and digitising more and more customer processes (see Service quality).

Table 27: Proportion of online invoices

In %	2023	2022
Online Invoice	95.7	93.5
Thereof freenet mobile communications	94.6	91.9
Thereof klarmobil	98.8	97.7

Unavoidable CO₂ emissions generated in customer communications during the production and delivery of standard contract documents and payment processing are offset in mobile communications in cooperation with service providers via certified climate protection projects. With regard to customer communications, this related to mailings from the freenet Mobilfunk and klarmobil brands in the 2023 financial year, with calculated CO₂ emissions of around 208 tonnes (previous year: around 247 tonnes). The approach is to be rolled out to other brands in the coming years with the aim of ensuring Group-wide climate-friendly production and delivery of standard contract documents in customer communications. Parcel delivery to customers caused CO₂ emissions of around 517 tonnes in the 2023 financial year (previous year: approx. 516 tonnes). This figure includes CO₂ emissions from the storage, packaging, outgoing goods and dispatch of parcels to customers (excluding CO₂ emissions from related energy consumption and stock transfer). In order to improve the environmental sustainability of packaging materials or to further optimise or reduce the internal shipping volume, the standardised cardboard box dimensions are regularly reviewed in relation to the variety of products. In addition, the package size is automatically controlled in relation to the item volume.

The proportion of recycled granulate in the fillers used in logistics was increased to 100% in the 2023 financial year (previous year: 50%). A total of nine filler machines were replaced at the logistics sites in Büdelsdorf and Oberkrämer for this purpose.

External suppliers are also made responsible for the composition of the packaging materials used, taking into account the applicable and necessary transport safety standards. Since 2020, tenders for fillers and closure materials have included sustainability aspects with a weighting of 40% when awarding contracts, in addition to economic and safety factors.

Compliance and integrity

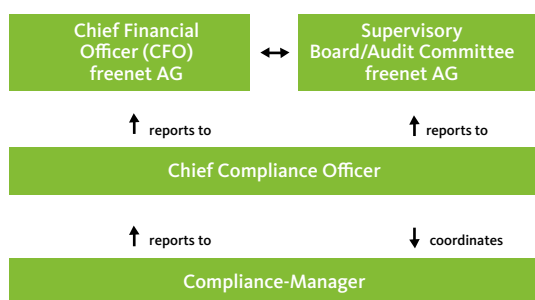
Management approach: freenet is committed to the applicable laws and standards and the underlying ethical principles. Integrity and legal compliance are the most important cornerstones for social and economic co-operation. To ensure the trust of all stakeholders, freenet therefore ensures compliance with legal requirements and internal guidelines. Non-compliance can have negative effects on freenet's reputation and trustworthiness and disrupt cooperation with business partners and customers in the long term. The company naturally pursues a zero-tolerance policy for criminal offences. The Executive Board underlines the strict basic attitude with a "tone from the top", which is also communicated to all areas of the organisation by downstream managers. In addition, freenet's works councils support all compliance guidelines. Legal compliance as a strong component of the corporate culture is expressed through active action and support from all parts of the organisation. The aim is to minimise compliance risks and thereby maintain and strengthen freenet's trustworthiness in the long term.

Governance: Compliance management is very important to freenet. In order to successfully counter general compliance risks, the company has implemented a compliance management system (CMS) that has created uniform Group standards for compliance issues such as anti-corruption. The Chief Compliance Officer (CCO) is responsible for the content of compliance measures, which are implemented in close and constructive cooperation with the Internal Audit, Human Resources and Legal departments and continuously monitored for compliance. Preventive and investigative measures are coordinated by the Governance Board, which is made up of the CFO, CCO and the Head of Group Audit, Risk and Control. The measures intended by the company management are also regularly updated on the basis of new forensic findings or changes in the law.

The CCO reports directly to the Chief Financial Officer (CFO) and advises him as the person with overall responsibility for compliance with the law and the monitoring of compliance risks in the implementation of relevant legal requirements. In addition, the CCO reports regularly, at least once per financial year, on the implemented processes, developments and special incidents to the Audit Committee of the Supervisory Board so that it can satisfy itself of the effectiveness of the CMS. The Supervisory Board is informed immediately if serious risks arise that could jeopardise the existence of freenet AG.

In the 2023 financial year, as in the previous year, freenet AG was not aware of any confirmed cases of corruption [GRI 205-3].

Figure 17: Compliance management structure



Actions: Risk analyses are regularly carried out to determine in which areas of activity the risk of compliance violations is particularly high. With regard to the typical economic offence of corruption, this occurs above all where the corruptor can influence larger cash flows in his favour with limited resources. This risk exists at freenet, for example, in the context of high-revenue contractual partners, both on the customer and supplier side. Based on the risk assessment, however, the risk is considered to be low, as these are always companies that themselves demonstrate a strong commitment to compliance; namely, for example, mobile network operators operating in Germany, smartphone providers and renowned electronics retailers.

In general, freenet AG addresses the management of compliance risks in several areas simultaneously, each of which is characterised by prevention, detection and reaction. In terms of prevention, the focus is on providing employees with targeted information. Employees are given a stable framework to orientate themselves by means of target group-specific training, personal discussions and generally binding guidelines. Our corporate culture encourages employees to constantly exchange information with each other and with their managers about the legal risks involved in their work.

In addition, clear guidelines and requirements have been defined for the most important compliance issues in employees' day-to-day work. In this context, the benefits, purchasing and signature guidelines play a decisive role, as they serve to combat anti-corruption, among other things. For this reason, these are part of the Audit Universe and are risk-assessed annually and included in the audit plan of Internal Audit on a selective basis. The aim of the grant guideline is to prevent the improper influencing of business transactions, both internally and externally. All employees must report all benefits received and granted in excess of EUR 20 to the Compliance department via their line manager on a quarterly basis so that gifts, invitations and favours can be checked for their factual and legal compliance. At freenet, the receipt and granting of benefits is only permitted if it can be unequivocally ruled out that a business decision will be influenced.

However, the signature guideline ensures that only selected persons can conclude business transactions and that authorised representatives from different departments or divisions always sign important declarations of intent. In addition, the purchasing guideline ensures procurement from the objectively best supplier for key purchasing transactions through clear procedural requirements and the mandatory involvement of the purchasing department – as a neutral body alongside the procuring department. In addition, payment transactions with customers and suppliers are always processed non-cash. Only in end customer transactions does freenet accept cash to the customary extent in order to counteract money laundering in the best possible way. In addition, the Compliance department always offers legal and substantive advice via a hotline in order to quickly clear up any uncertainties in day-to-day work. The investigation of any legal violations is also multi-pronged. Possible breaches of the rules are pursued in particular by Internal Audit and the central Fraud Management department.

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If employees observe misconduct or suspect a violation of laws or internal guidelines, they are required to report this immediately to the Compliance department. A whistleblower system is available to them and external parties (e.g. franchisees or suppliers) around the clock for this purpose, which fulfils the requirements of the German Whistleblower Protection Act (HinSchG) and Section 8 of the German Supply Chain Due Diligence Act (LkSG). Contact options for reporting suspected compliance violations and further information on the reporting procedure are available on the freenet AG intranet and on the company website at fn.de/whistleblower. Reports can be made either anonymously or by disclosing one's identity. Naturally, all whistleblowers are protected from negative consequences as a result of their report in accordance with the EU Whistleblower Directive. The Whistleblower Committee examines incoming reports and initiates further investigations if necessary. The composition and working methods of the committee are explained in more detail in the corporate governance declaration (fn.de/cgstatement).

One aspect that has become increasingly important in recent years is the responsibility of companies for human rights and environmental violations in the supply chain. freenet AG takes this responsibility very seriously and has therefore implemented a code of conduct for business partners many years ago and made it the subject of its contractual relationships in the B2B environment. More information on supply chain management is provided in the following section "Supply chain and human rights due diligence".

Supply chain and human rights due diligence

Management approach: freenet is aware of its environmental and human rights responsibilities as a company and therefore attaches great importance to upholding and complying with these aspects in its business and procurement processes. Legislators have also recently emphasised their importance by passing the LkSG. It aims to improve the international human rights situation by setting out requirements for the responsible management of supply chains for certain companies.

freenet has set out its position on human rights and environmental risks in the 2023 supply chain in a policy statement published on freenet AG's website. freenet's goal is to hold smartphone manufacturers and network operators, in addition to all other suppliers, accountable for using their influence and position in the value chain to ensure, in particular, compliance with human rights due diligence obligations and the exclusion of conflict minerals in the production of telecommunications hardware and accessories. However, freenet's ability to exert influence on its main suppliers with regard to sustainability aspects is limited in view of its share of the total business volume of these suppliers and its position in the value chain.

Governance: freenet's constantly developing supplier base includes suppliers from various countries. In the mobile communications segment, the following main suppliers account for the majority of the monetary purchasing volume:

- Mobile network operators: Deutsche Telekom, Vodafone and Telefónica Deutschland
- Device/accessory manufacturer: Apple, Huawei or Samsung
- Service providers in (outsourced) customer support such as Capita

The main procurement organisation and responsibility is bundled in the "Partner Relations" Executive Board department. Cooperation with the aforementioned mobile network operators, device/accessory manufacturers and service providers in customer support is handled by separate purchasing units. In addition, suppliers are managed and managed centrally by indirect purchasing (corresponds to indirect purchasing volume). In addition, Media Broadcast has its own purchasing unit due to the high specificity of the preliminary services to be procured.

When the LkSG came into force on 1 January 2023, corporate responsibility for compliance with human rights and environmental due diligence obligations in supply chains was regulated at national level. In this context, freenet AG has intensified its efforts and, among other things, improved its existing risk management, introduced systematic risk analyses for environmental and human rights-related risks and established preventive measures. These measures are monitored by the Group's Human Rights Officer, who reports directly to the freenet AG Executive Board.

With regard to its direct supplier structure, the company believes that it has a low risk exposure overall: in relation to the indirect purchasing volume of new suppliers commissioned in 2023, over 95% (previous year: almost 95%) are based in Germany, another EU member state or the European Economic Area. These suppliers are therefore subject to similarly strict legal (transparency) regulations with regard to environmental and human rights aspects as freenet AG itself. With regard to the LkSG, this means that the risk of violations of the legal positions protected by the law among freenet's direct suppliers can generally be considered very low. With a few exceptions, the other suppliers operate from OECD countries or in industries with a low risk profile.

Actions: Irrespective of the risk assessment, freenet has established various measures to further emphasise its self-imposed responsibility in the procurement process. For example, a Group-wide Supplier Code of Conduct was formulated in 2018 and is regularly revised in line with market requirements. It defines minimum standards in the areas of human rights (including zero tolerance of forced or compulsory labour), social standards (including payment of wages in accordance with legal requirements), environmental

protection, safety, health and compliance and is generally included in all new procurement contracts/processes. Alternatively, a declaration is required from strategic suppliers that their standards at least correspond to those of freenet. In addition, suppliers are obliged to comply with the Supplier Code of Conduct and the basic principles expressed in the Global Compact, the Guiding Principles of the United Nations (UN) and the Declaration on Fundamental Rights at Work of the International Labour Organisation (ILO) as standard via the General Terms and Conditions of Purchase.

In the event of violations of the Code of Conduct for Suppliers, freenet reserves the right to appropriate reactions and sanctions depending on the severity of the violation. These include in particular, but are not limited to, the request to remedy the violation immediately, the assertion of claims for damages or – as a final consequence – the cancellation of the contract. If suppliers or their employees suspect a violation of applicable law or freenet standards, the Code of Conduct includes direct contact with freenet's Compliance department, which will initiate investigations if necessary. Contact can also be made anonymously via the whistleblower system publicly accessible on the freenet AG website (fn.de/whistleblower).

To underpin the responsibility we have set ourselves, sustainability aspects were already included as decision parameters in the freenet purchasing guidelines in 2017. This is intended to sensitise the responsible employees to explicitly take these aspects into account when making purchasing decisions. Accordingly, since 2020, information on sustainability aspects has been obtained in advance for all tenders in addition to aspects relating to the financial situation, if this appears sensible or necessary due to the specific circumstances of the individual case. In this context, prior consent to the freenet Supplier Code of Conduct is always obtained from all suppliers and service providers.

In Media Broadcast's separate purchasing guidelines, particular attention is paid to the aspects of environmental protection and energy efficiency, as the freenet subsidiary is an intensive electricity consumer due to its broadcasting infrastructure. If offers are completely equivalent, preference is to be given to suppliers who take these aspects into greater consideration. With regard to the procurement of all technical equipment, electricity consumption has been evaluated as one of the most relevant criteria in the technical bid analysis for tenders as standard since 2021.

In the financial year, supplier risk management was restructured against the background of the LkSG. In a first step, abstract risk indicators were defined and applied to the creditors of all affiliated companies. Companies identified as having an increased abstract risk were specifically assessed by the responsible purchasing departments on the basis of their own experience. In order to verify the risk assessment, questionnaires were sent to a large number of suppliers. This showed that there are only a very small number of relevant risks according to the LkSG among freenet's suppliers.

EU Taxonomy report

Subject and objective of the EU Taxonomy

The main objectives of the European Commission's action plan for financing sustainable growth are to channel capital flows into sustainable investments and to ensure a harmonised level of market transparency. The overarching goal is to transform the European economy into a CO₂-neutral economy by 2050. With the EU Taxonomy, the European Commission has created a central steering instrument to achieve this goal and promote the transition to a sustainable economy.

The legal basis for companies is Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 (hereinafter: Taxonomy Regulation or EU Taxonomy) on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088. In accordance with Art. 8 of the Taxonomy Regulation in conjunction with Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 (hereinafter: Delegated Act on Art. 8 of the EU Taxonomy) non-financial companies must disclose the proportion of their revenues, the proportion of their capital expenditure (CapEx) and the proportion of operating expenditure (OpEx) associated with economic activities that are classified as environmentally sustainable within the meaning of the Taxonomy Regulation.

Previously, the information only had to be provided for activities defined by the EU for the first two ("climate change mitigation" and "climate change adaptation") of the six environmental objectives listed in Art. 9 of the Taxonomy Regulation. In 2023, further activities were published for the other four environmental objectives ("Sustainable use and protection of water and marine resources", "Transition to a circular economy", "Prevention and reduction of environmental Pollution" and "Protection and restoration of biodiversity and ecosystems") and must also be taken into account.

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Economic activity of freenet AG**Principles and definitions**

In the EU Taxonomy, a distinction is made between Taxonomy-eligible and Taxonomy-aligned activities. An economic activity is Taxonomy-eligible if it is mentioned in one of the delegated acts⁴ that supplement the Taxonomy Regulation and specify the environmental objectives. It is not necessary for the activity to fulfil one or all of the technical assessment criteria specified in the delegated acts. Conversely, all economic activities that are not mentioned in the supplementary delegated acts are considered non-Taxonomy-eligible.

An economic activity is Taxonomy-aligned, i.e. environmentally sustainable within the meaning of the Taxonomy Regulation, if it fulfils the following requirements cumulatively:

1. It makes a substantial contribution to one or more environmental objectives, demonstrated by compliance with the substantial contribution criteria defined by the EU,
2. it does not significantly impair the achievement of the other environmental objectives (“DNSH: Do No Significant Harm”) and
3. it is carried out in accordance with minimum social protection criteria (“minimum safeguards”).

The interpretation of the description of activities in the EU Taxonomy is the responsibility of the companies preparing the statements due to the terms requiring interpretation and the lack of commentary literature from the regulator, academia or relevant practitioners. As part of the preparation of the disclosures on the EU Taxonomy, freenet AG has taken appropriate account of interpretative notes on the Taxonomy Regulation, the Delegated Acts and the FAQs published by the European Commission. The following reporting obligations reflect the current status of the assessment.

Procedure followed for the identification of Taxonomy-eligible and Taxonomy-aligned economic activities

The implementation of the EU Taxonomy at freenet AG is being handled by an interdisciplinary team composed by members of the ESG Reporting, ESG Controlling, Accounting and Legal departments. In order to identify Taxonomy-eligible economic activities, internal experts are consulted to analyse in detail how individual business activities are affected by the EU Taxonomy and to structure the identified topics. The starting point for analysing the fundamental impact of the EU Taxonomy was the “Mobile Communications” and “TV and Media” segments defined in accordance with IFRS 8 and their primary sales activities.

In its “Mobile Communications” segment, freenet AG mainly provides services as a mobile communications service provider. The primary sales activity is the purchase and marketing of wireless services, primarily to private customers. The company does not operate its own mobile communications network, but utilises the network infrastructure provided by network operators based in Germany. In the “TV and media” segment, the main sales activity is the transmission of third-party television and radio programmes using the company’s own or rented infrastructure. In this respect, freenet AG also markets technological additions to linear television via antenna (DVB-T2) or Internet television (IPTV) to private customers (see business model and organisational structure). The primary sales activities of freenet AG can be allocated to the (NACE) sector “Information and Communication”, which is covered by the EU Taxonomy, which means that the company is fundamentally affected by the EU Taxonomy.

The results of the impact analysis at activity level were summarised in an impact matrix containing the total activities of the EU Taxonomy and explanations of their relevance for freenet. For the activities in connection with the objectives “climate change mitigation” and “climate change adaptation”, the analysis from 2022 was reassessed for the 2023 financial year, taking into account the business transactions and activities that actually occurred in the past financial year. In principle, there were no changes to the assessment of the impact of these activities, including the amendments to the Delegated Acts of 27 June 2023. The activities in connection with the four new environmental objectives were also subject to a review.

For the economic activities already defined by the EU Commission in 2021, the requirements for Taxonomy-alignment were analysed in the same way as in the previous year, taking into account all additions made in the meantime, and their degree of fulfilment was evaluated. The results are presented in the following chapters.

In accordance with Art. 5 of Delegated Regulation (EU) 2023/2486, only the Taxonomy-eligibility was analysed for the 2023 financial year with regard to the economic activities that were newly included as a result of the extension of the Taxonomy.

⁴ Commission Delegated Regulation (EU) 2021/2139 Annex 1 of 4 June 2021 (hereinafter: Delegated act on Art. 10 of the Taxonomy Regulation (Annex 1)) and Commission Delegated Regulation (EU) 2021/2139 Annex 2 of 4 June 2021 (hereinafter: Delegated Act on Art. 11 of the Taxonomy Regulation (Annex 2)) together with Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022 amending the aforementioned Delegated Regulation and Delegated Regulation (EU) 2023/2486 of 27 June 2023 supplementing Regulation (EU) 2020/852 and amending Delegated Regulation (EU) 2021/2178.

Taxonomy-eligible economic activities

The following activities relevant to the “Information and Communication” sector were recognised for the aforementioned core business areas “Mobile Communications” and “TV and Media” and classified as non-Taxonomy-eligible in line with the previous year’s reporting:

- Activity 8.2: Data-based solutions to reduce greenhouse gas emissions (environmental goal: climate change mitigation)
- Activity 8.3: Broadcasting activities (environmental objective: climate change adaptation)

Accordingly, the primary sales activities are not currently covered by the EU Taxonomy.

With regard to activity 8.2, it was also clarified in a notice (FAQ) published by the European Commission on 19 December 2022 that although general electronic communication networks are an important and necessary prerequisite for implementing the ICT solutions mentioned in the activity, they are not operated primarily to reduce emissions (answer to question no. 159). General telecommunication infrastructures, such as mobile phone networks, are therefore not covered by the activity. Accordingly, freenet AG’s business activity of providing customers with additions to mobile communications is also not covered by activity 8.2.

According to the current understanding of the EU Taxonomy, it is not only important whether an economic activity directly serves to generate turnover and thus the actual economic activity of the company. Rather, any activity carried out within the company can be Taxonomy-eligible.

As part of the provision of its own services, freenet also utilises products and services from suppliers that are related to investment and operating expenses. In the context of the EU Taxonomy, this involves the acquisition of output from Taxonomy-eligible activities or the implementation of individual measures to improve energy efficiency. At freenet, these are primarily cross-sectional and infrastructure activities such as the leasing of vehicles (Section 6 – “Transport” sector) or the buildings used (Section 7 – “Construction and real estate” sector).

In addition, freenet also carries out activities relating to data centres (Section 8 – “Information and Communication” sector) and circular economy-oriented product solutions (Section 5 – “Services” sector). The latter are new activities resulting from the analysis of the new environmental objectives.

With regard to the activities of the “Transport”, “Construction and real estate” and “Information and communication” sectors, the “Climate change mitigation” objective is at the forefront. The activities of the “Services” sector are assigned to the environmental goal “Transition to a circular economy”.

All activities relevant to the 2023 financial year are described in table 28:

Table 28: Taxonomy-eligible economic activities

Environmental goal ¹	Economic activity	Description related to freenet AG
“Transport” sector		
CCM 6.5 CCA 6.5	Transport by motorbikes, passenger cars and light commercial vehicles	Vehicle fleet consisting of company and service cars
Construction and real estate sector		
CCM 7.2 CCA 7.2 CE 3.2	Renovation of existing buildings	Successive CapEx for the renovation of the office building at the Büdelsdorf site
CCM 7.3 CCA 7.3	Installation, maintenance and repair of energy efficiency equipment	Installation of energy-efficient LED lighting at our own and rented locations as well as shops/stores
CCM 7.4 CCA 7.3	Installation, maintenance, and repair of charging stations for electric vehicles in buildings	Establishment of a charging station infrastructure at the office sites
CCM 7.7 CCA 7.7	Acquisition and ownership of buildings	Operating expenses (maintenance, servicing and other) for the (renovated) Büdelsdorf site
“Information and Communication” sector		
CCM 8.1 CCA 8.1	Data processing, hosting and related activities	Operation of own data centre and rental of colocation areas including power supply and air conditioning (rights of use recognised in accordance with IFRS 16), equipped with own IT
“Services” sector		
CE 5.1	Repair, refurbishment and remanufacturing	Repair of mobile devices (mobile communications segment), refurbishment of CI cards and WiFi access points (TV and media segment)
CE 5.4	Sale of second-hand goods	Sale of used mobile devices and accessories (mobile communications segment), sale of used CI cards (TV and media segment)
CE 5.5	Product as a service and other cycle- and result-orientated service models	Rental models for access points for the operation of WiFi networks (TV and media segment)

¹ This column indicates the number and environmental objective of the economic activities. If several possible environmental objectives are assigned, the objective that was assigned to the activity is emphasised. The abbreviations are specified by the Taxonomy Regulation: Climate change mitigation = CCM, Climate change adaptation = CA, Water and marine resources = WTR, Circular economy = CE, Pollution prevention and control = PPC, Biodiversity and ecosystems = BIO.

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Taxonomy-alignment of the identified Taxonomy-eligible economic activities

The reporting obligations under the EU Taxonomy for the 2023 financial year only require to analyse and report on Taxonomy-alignment for the identified economic activities that are assigned to the environmental objective “climate change mitigation” and “climate change adaptation”. The investigation revealed that none of the activities to be analysed are Taxonomy-aligned/compliant.

With regard to the data centres (Activity 8.1), the criteria defined by the EU for a substantial contribution to the environmental goal of “climate change mitigation” are not met. The global warming potential (GWP) of the refrigerants used in the cooling system of the data centres is above the defined maximum value of 675, but within the requirements of Regulation (EU) 517/2014 of the European Parliament and of the Council of 16 April 2014 on fluorinated greenhouse gases. Due to the fact that the maximum GWP value was exceeded and the sequential nature of the three-stage test in accordance with Art. 3 of the Taxonomy Regulation, the other criteria and requirements were not checked.

The other activities in connection with the objectives “climate change mitigation” and “climate change adaptation” are related to the purchase of output of Taxonomy-eligible economic activities and individual measures (“Category (c)” under section 1.1.2.1. or section 1.1.3.1. according to the delegated act on Art. 8 of the Taxonomy Regulation), which make it possible to reduce the greenhouse gas emissions of freenet AG’s primary (non-Taxonomy-eligible) sales activities. According to the current state of discussion, proof of

the Taxonomy-alignment of the purchased output must be provided jointly by the respective supplier or owner and the reporting company. Since many companies are only just checking conformity themselves and their results cannot even be included by freenet AG due to the time aspect, no statement can currently be made about the degree of fulfilment of these services procured from third parties. In addition, many companies are not required to report under the EU Taxonomy. The corresponding expenses are therefore reported as non-Taxonomy-aligned for the 2023 reporting year.

Taxonomy indicators and reporting principles

In accordance with Art. 8 of the EU Taxonomy, the reportable performance indicators (Taxonomy KPIs) include revenues, CapEx and OpEx. In addition to the Taxonomy-eligible portion, non-financial companies must also disclose the Taxonomy-aligned portion of their revenues, CapEx and OpEx. The latter thereof is reported by freenet AG as zero due to the lack of Taxonomy-aligned economic activities.

The delegated act on Art. 8 of the Taxonomy Regulation (Annex 1) and its supplement of 27 June 2023 define the content, calculation methods and presentation for the KPIs of non-financial companies to be disclosed. freenet AG has determined the data required for the reporting year in accordance with the aforementioned definitions and requirements. The data for calculating the key figures originate from the Group’s accounting system and are based on the consolidated financial statements of freenet AG. The direct allocation of relevant transactions to the respective Taxonomy-eligible activity eliminates double counting.

Table 29: Abridged presentation of the Taxonomy KPIs 2023

Taxonomy KPI	Total (KPI denominator)	Non Taxonomy-eligible portion		Taxonomy-eligible portion		Taxonomy-aligned portion	
	absolute	absolute	in %	absolute	in %	absolute	in %
In EUR million/as indicated							
Revenues	2,627.3	2,611.5	99.4	15.8	0.6	0	0
CapEx	88.8	85.2	95.9	3.6	4.1	0	0
OpEx	30.7	24.6	80.2	6.1	19.8	0	0

Revenues KPI

The share of Taxonomy-eligible economic activities in consolidated revenue was calculated on the basis of the share of net revenue generated from goods and services related to Taxonomy-eligible economic activities (numerator) divided by freenet AG’s consolidated revenue (denominator); in each case for the financial year beginning on 1 January and ending on 31 December.

The Group revenues used in the denominator correspond to the Group’s net revenues, which are reported in accordance with IAS 1.82. Further details on the accounting policies relating to revenue recognition can be found in Note 2.1. The consolidated revenue corresponds to the consolidated net revenue as reported in the consolidated income statement and Note 4.

The Taxonomy-eligible portion of revenues amounts to 0.6% (previous year: 0.1%) of total revenues totalling EUR 2,627.3 million (previous year: EUR 2,556.7 million). The numerator

of the revenues KPI corresponds to net revenues from goods and services provided to external third parties (customers). Compared to the previous year, Taxonomy-eligible revenues increased by EUR 12.2 million to EUR 15.8 million (previous year: EUR 3.6 million), mainly due to the newly added activities in the area of the environmental goal "Transition to a circular economy" (EUR 13.4 million).

The Taxonomy-aligned portion amounts to 0% (previous year: 0%).

CapEx KPI

The CapEx KPI is defined as Taxonomy CapEx (numerator) divided by total CapEx (denominator).

The denominator comprises additions to property, plant and equipment and intangible assets during the financial year before depreciation, amortisation and any revaluations, including those resulting from write-ups and impairments, and excluding changes in fair value. Of the CapEx categories listed in the Delegated Act to Art. 8 of the Taxonomy Regulation, the basic category of investments used here includes gross additions to property, plant and equipment (IAS 16), intangible assets (IAS 38) and additions to long-term right-of-use assets (IFRS 16). Additions from business combinations (IFRS 3) – if any – are also part of the denominator. Additions to goodwill are not included as they do not fulfil the definition of an intangible asset (IAS 38). Further details on the accounting policies relating to investments can be found in Note 2.2. and Note 2.3. Total investments correspond to the total of additions to property, plant and equipment (IAS 16) and intangible assets (IAS 38) under Note 38 and additions to lease assets (IFRS 16) under Note 2.5.1.

The Taxonomy-eligible portion of CapEx amounts to 4.1% (previous year: 3.0%) of total CapEx totalling EUR 88.8 million (previous year: EUR 182.3 million). Of which:

- 65.9% (previous year: 83.8%) to gross additions to property, plant and equipment (IAS 16) and
- 34.1% (previous year: 16.2%) to additions to long-term right-of-use assets (IFRS 16).

The share of gross additions to property, plant and equipment (IAS 16) has decreased as the renovation of the headquarters in Büdelsdorf was almost completed in 2022. In 2023, most of the Taxonomy-eligible CapEx is attributable to activity 8.1. The investments could be clearly allocated to the corresponding activities based on the asset classes and measures.

The Taxonomy-aligned portion amounts to 0% (previous year: 0%).

OpEx KPI

The OpEx KPI is defined as Taxonomy-eligible OpEx (numerator) divided by total OpEx (denominator) as defined by the EU Taxonomy. The denominator includes direct, non-capitalised expenses relating to research and development, building refurbishment, short-term leasing, maintenance and repair and all other direct expenses relating to the day-to-day maintenance of property, plant and equipment to ensure the continued and effective functioning of these assets. The following items are included:

- Research and development expenses did not affect the consolidated income statement in either the financial year or the previous year.
- Current leases relate to the expenses determined in accordance with IFRS 16 under Note 2.5.1.
- Maintenance and repair expenses as well as all other direct expenses in connection with the daily maintenance of property, plant and equipment were determined on the basis of an individual account analysis and can be allocated to various items (including maintenance of administrative buildings, systems technology or IT systems) under other operating expenses (see Note 10). Building refurbishment measures are also included.
- Personnel expenses associated with the areas listed above are also included. The EU Taxonomy does not explicitly state that these may not be included. In particular, the personnel costs attributable to maintenance and repair of the technical infrastructure were taken into account in accordance with the cost centre allocation of the employees.

The corresponding Group accounts were used for the total operating costs.

Compared to CapEx, the specific OpEx understanding of the EU Taxonomy is decisive for the fact that total OpEx is significantly lower than the Group's total operating expenses. Including the aforementioned personnel expenses, this results in a Taxonomy-eligible portion of OpEx of 19.8% (previous year: 18.9%) of total OpEx (as defined by the EU Taxonomy) totalling EUR 30.7 million (previous year: EUR 32.1 million), which is roughly comparable to the previous year. Of which:

- 76.7% to maintenance and repair expenses (previous year: 83.7%) and
- 23.3% to other costs (previous year: 16.3%).

Most of the Taxonomy-eligible OpEx (80.9%) in 2023 is attributable to activity 8.1. To allocate the OpEx to the activities, the acquisition processes and measures were identified and the corresponding cost centres evaluated in order to make a clear allocation.

The Taxonomy-aligned portion amounts to 0% (previous year: 0%).

Tables according to Annex II of the Delegated Act pursuant to Art. 8 of the Taxonomy Regulation

Revenues

Table 30: Proportion of revenues from products or services associated with Taxonomy-aligned economic activities – Disclosure for the year 2023

Financial year 2023	2023		Substantial contribution criteria							
	Economic activities (1)	Code(s) (2)	Revenues (3) in EUR '000	Proportion of revenues (4) in %	Climate change mitigation (5) in %	Climate change adaptation (6) in %	Water (7) in %	Circular economy (8) in %	Pollution (9) in %	Biodiversity (10) in %
A. Taxonomy-eligible activities										
A.1 Environmentally sustainable activities (Taxonomy-aligned)										
–	–	0	0	–	–	–	–	–	–	–
Revenues environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0	–	–	–	–	–	–	–
of which “enabling activities”		0	0							
of which “transitional activities”		0	0							
A.2 Taxonomy-eligible but not environmentally sustainable activities (Not-Taxonomy-aligned activities)										
Data processing, hosting and related activities	CCM 8.1, CCA 8.1	2,389.7	0.1	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL
Repair, refurbishment and remanufacturing ¹	CE 5.1 ¹	7,375.9	0.3	N/EL	N/EL	N/EL	EL	N/EL	N/EL	N/EL
Sale of second-hand goods ¹	CE 5.4 ¹	3,298.1	0.1	N/EL	N/EL	N/EL	EL	N/EL	N/EL	N/EL
Product as a service and other circular use and result-orientated service models ¹	CE 5.5 ¹	2,735.4	0.1	N/EL	N/EL	N/EL	EL	N/EL	N/EL	N/EL
Revenues of Taxonomy-eligible but not environmentally sustainable activities (Not-Taxonomy-aligned activities) (A.2)		15,799.2	0.6	0.1	–	–	0.5	–	–	–
Total (A.1 + A.2)		15,799.2	0.6	0.1	–	–	0.5	–	–	–
B. Taxonomy-non-eligible activities										
Revenues of Taxonomy-non-eligible activities (B)		2,611,521.8	99.4							
Total (A + B)		2,627,321.0	100.0							

¹ For the economic activities that were supplemented in 2023 by Delegated Regulation (EU) 2023/2486 of 27 June 2023, no conformity check was carried out in accordance with the law.

	Proportion of revenues/Total revenues	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.0%	0.1%
CCA	0.0%	0.1%
WTR	n.a.	0.0%
CE	n.a.	0.5%
PPC	n.a.	0.0%
BIO	n.a.	0.0%

DNSH criteria ('Does not significantly harm')

	DNSH criteria ('Does not significantly harm')							Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) revenues, 2022 (18) in %	Category enabling activities (19) E	Category transitional activities (20) T
	Climate change mitigation (11) J/N	Climate change adaptation (12) J/N	Water (13) J/N	Circular economy (14) J/N	Pollution (15) J/N	Biodiversity (16) J/N	Minimum safeguards (17) J/N			
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-		
	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-		
								0.1		
								-		
								-		
								-		
								0.1		
								0.1		

CapEx

Table 31: Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – Disclosure for the year 2023

Financial year 2023	2023		Substantial contribution criteria						
Economic activities (1)	Code(s) (2)	CapEx (3) in EUR '000	Proportion of CapEx (4) in %	Climate change mitigation (5) in %	Climate change adaptation (6) in %	Water (7) in %	Circular economy (8) in %	Pollution (9) in %	Biodiversity (10) in %
A. Taxonomy-eligible activities									
A.1 Environmentally sustainable activities (Taxonomy-aligned)									
—	—	0	0	—	—	—	—	—	—
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0	—	—	—	—	—	—
of which “enabling activities”		0	0	—	—	—	—	—	—
of which “transitional activities”		0	0	—					
A.2 Taxonomy-eligible but not environmentally sustainable activities (Not-Taxonomy-aligned activities)									
Transport with motorbikes, passenger cars and light commercial vehicles	CCM 6.5, CCA 6.5	748.8	0.8	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Renovation of existing buildings	CCM 7.2, CCA 7.2, CE 3.2	196.1	0.2	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of energy-efficient equipment	CCM 7.3, CCA 7.3	163.2	0.2	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and car parks belonging to buildings)	CCM 7.4, CCA 7.4	211.0	0.2	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Data processing, hosting and related activities	CCM 8.1, CCA 8.1	1,406.3	1.6	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Product as a service and other circular use and result-orientated service models ¹	CE 5.5¹	923.0	1.0	N/EL	N/EL	N/EL	EL	N/EL	N/EL
CapEx of Taxonomy-eligible but not environmentally sustainable activities (Not-Taxonomy-aligned activities) (A.2)		3,648.3	4.1	3.1	—	—	1.0	—	—
Total (A.1 + A.2)		3,648.3	4.1	3.1	—	—	1.0	—	—
B. Taxonomy-non-eligible activities									
CapEx of Taxonomy-non-eligible activities (B)		85,190.0	95.9						
Total (A + B)		88,838.4	100.0						

¹ For the economic activities that were supplemented in 2023 by Delegated Regulation (EU) 2023/2486 of 27 June 2023, no conformity check was carried out in accordance with the law.

	Proportion of CapEx/Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.0%	3.1%
CCA	0.0%	3.1%
WTR	n.a.	0.0%
CE	n.a.	1.3%
PPC	n.a.	0.0%
BIO	n.a.	0.0%

DNSH criteria ('Does not significantly harm')

Climate change mitigation (11) J/N	Climate change adaptation (12) J/N	Water (13) J/N	Circular economy (14) J/N	Pollution (15) J/N	Biodiversity (16) J/N	Minimum safeguards (17) J/N	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) CapEx, 2022 (18) in %	Category enabling activities (19) E	Category transitional activities (20) T
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
							0.2		
							2.1		
							0.1		
							0.0		
							0.6		
							—		
							3.0		
							3.0		

OpEx

Table 32: Proportions of OpEx of goods or services associated with Taxonomy-aligned economic activities – Disclosure for the year 2023

Financial year 2023	2023		Substantial contribution criteria						
Economic activities (1)	Code(s) (2)	OpEx (3) in EUR '000	Proportion of OpEx (4) in %	Climate change mitigation (5) in %	Climate change adaptation (6) in %	Water (7) in %	Circular economy (8) in %	Pollution (9) in %	Biodiversity (10) in %
A. Taxonomy-eligible activities									
A.1 Environmentally sustainable activities (Taxonomy-aligned)									
–	–	0	0	–	–	–	–	–	–
OpEx environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0	–	–	–	–	–	–
of which “enabling activities”		0	0	–	–	–	–	–	–
of which “transitional activities”		0	0	–					
A.2 Taxonomy-eligible but not environmentally sustainable activities (Not-Taxonomy-aligned activities)									
Transport with motorbikes, passenger cars and light commercial vehicles	CCM 6.5, CCA 6.5	737.0	2.4	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and in car parks belonging to buildings)	CCM 7.4, CCA 7.4	6.7	0.0	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Acquisition and ownership of buildings	CCM 7.7, CCA .7	416.7	1.4	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Data processing, hosting and related activities	CCM 8.1, CCA 8.1	4,916.2	16.0	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Repair, refurbishment and remanufacturing ¹	CE 5.1¹	2.1	0.0	N/EL	N/EL	N/EL	EL	N/EL	N/EL
OpEx of Taxonomy-eligible but not environmentally sustainable activities (Not-Taxonomy-aligned activities) (A.2)		6,078.7	19.8	19.8	–	–	0.0	–	–
Total (A.1 + A.2)		6,078.7	19.8	19.8	–	–	0.0	–	–
B. Taxonomy-non-eligible activities									
OpEx of Taxonomy-non-eligible activities (B)		24,631.8	80.2						
Total (A + B)		30,710.6	100.0						

¹ For the economic activities that were supplemented in 2023 by Delegated Regulation (EU) 2023/2486 of 27 June 2023, no conformity check was carried out in accordance with the law.

	Proportion of OpEx/Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.0%	19.8%
CCA	0.0%	19.8%
WTR	n.a.	0.0%
CE	n.a.	0.0%
PPC	n.a.	0.0%
BIO	n.a.	0.0%

DNSH criteria ('Does not significantly harm')

Climate change mitigation (11) J/N	Climate change adaptation (12) J/N	Water (13) J/N	Circular economy (14) J/N	Pollution (15) J/N	Biodiversity (16) J/N	Minimum safeguards (17) J/N	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) OpEx, 2022 (18) in %	Category enabling activities (19) E	Category transitional activities (20) T
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
							3.5		
							0.0		
							1.0		
							14.4		
							—		
							18.9		
18.9	—	—							