

## ESG strategy

### Sustainability as an integral part of the corporate strategy

Sustainability has become an integral part of freenet's corporate strategy. A lot has happened at freenet in 2023 and the company has repositioned itself in the ESG area.

An important step was taken at the beginning of the reporting year by merging the HR and ESG topics in a new Executive Board department (ESG and HR, CHRO). With this decision, the Supervisory Board and Executive Board have emphasised how seriously freenet takes its own responsibility for society and the environment. The company wants to make its contribution and, as a digital lifestyle provider, is committed to the sustainable digitalisation of the economy and society!

In organisational terms, committees such as the "ESG Board" (consisting of the CEO, CFO and CHRO) and the "ESG Committee" (to ensure interdisciplinary exchange between relevant internal stakeholders) were introduced. These committees regularly focus on the development of sustainability issues. In order to drive forward the company's transformation, an ESG management team was established over the course of the year, which reports directly to the Head of ESG and Human Resources.

freenet is also consistently pursuing its chosen path in terms of content. By developing a comprehensive ESG strategy, the company has strengthened the basis for long-term sustainable action. One of the Executive Board's key concerns is to raise awareness of sustainability as a fundamental attitude throughout the total Group.

### Guiding principle and fields of action

As a digital lifestyle provider, freenet's business model is primarily based on relationships. The focus is primarily on customer relationships, followed by a trusting relationship with employees and important upstream suppliers such as network operators and other contractual partners.

freenet's guiding principle with regard to the ESG strategy is:

**"freenet AG organises its business activities in such a way that they are environmentally responsible, socially just and economically profitable. People are always at the centre of our actions."**

The strategy comprises five fields of action on which sustainable action is based:

1. Climate (E)
2. Circular economy (E)
3. Customer (S)
4. Employees (S)
5. Governance (G)

The aim is to give equal consideration to the three sustainability dimensions E (environment), S (social) and G (governance) in future decisions.

As a company, freenet is aware of its environmental responsibility. Accordingly, the company supports the Paris Climate Agreement with its climate action area and intends to align its business processes with the 1.5-degree target in future. With regard to its own carbon emissions (Scope 1 and Scope 2), freenet's goal is to become carbon neutral by 2030.

By preparing a carbon footprint, freenet is creating the necessary conditions to identify levers and measures that contribute to the reduction of carbon emissions and thus to the mitigation of climate change. In this context, the use of renewable energies and the gradual electrification of the vehicle fleet are the most important levers for decarbonising the company's own business activities. In future, the identified levers and measures will be summarised and disclosed in a "transition plan".

Most of the carbon emissions associated with freenet's business model result from the upstream supply chain. Here, too, the company intends to exert influence within the scope of its own possibilities in order to make a positive contribution to curbing climate change.

In the area of mobile communications, freenet's offers are generally linked to the issue of a mobile device. The focus in the circular economy field of action is on conserving resources, extending product life cycles and reducing (electrical and electronic) waste. As a digital lifestyle provider, freenet wants to make a positive contribution to the implementation and acceleration of a circular economy approach within the German telecommunications industry.

The company's ambition is to be a reliable partner for sustainable consumption for customers. This is already reflected in the existing product portfolio by offering subscription models for end devices, trade-in services, refurbished devices and repair services as well as sustainably produced end devices and accessories. In future, the circular economy-orientated product and service portfolio is to be further strengthened and expanded. In addition, customers are to be informed even more about the possibilities of sustainable use of mobile devices and incentives are to be created so that important resources can be returned to the cycle.

The customer is at the centre of freenet's activities. The aim is to build self-determined and long-term customer relationships. As a digital lifestyle provider, freenet attaches great importance to promoting digital participation in society by offering a wide range of prices and services. freenet offers a diverse range of tariffs and services, networks and a large number of end devices for various user groups. The broad spectrum enables (potential) customers with different socio-demographic characteristics to have access in line with their opportunities.

As a network-independent service provider in mobile communications, freenet also advises customers independently and focusses on their individual needs. The overall aim of freenet's activities is to maximise customer satisfaction, as this is also the basis for freenet's economic success.

freenet employees are also a key factor in the long-term success of the company. Promoting a dialogue-oriented, safe, flexible, performance- and knowledge-oriented working environment is therefore a key objective in this area of action. Various development formats (last year, for example, the Reflect Day or the Year of Learning) contribute to this goal and will continue to be an integral part of the HR strategy in the future.

Diversity is an equally important factor for long-term success and should also be reflected in the total workforce. Accordingly, equal rights and equal opportunities are core values of our corporate culture.

In the area of governance, ensuring a sustainable supply chain is a key focus of the company. freenet is aware of its own responsibility and all risks to be considered, such as the possible violation of human rights, and will endeavour to exert the influence available to it along the value chain. Furthermore, a comprehensive compliance culture has already been established in the Group over the past few years and is integrated into all areas of the company.

Especially as a telecommunications company that is subject to strict legal and regulatory provisions, the focus of governance issues is on the careful handling of customer data provided to freenet. Data protection and data security issues have therefore steadily increased in importance in recent years and have become increasingly important within the company. Various review and security structures at all levels throughout the Group ensure that data is adequately protected even in the face of advancing digitalisation and increasing external attacks.

Specific measures, targets and examples of the Group's sustainability efforts can be found in the non-financial group statement.