



Croatian Telecom

Zagreb – 28 June 2024

Croatian Telecom Inc.

Radnička cesta 21, HR – Zagreb

Ordinary share: HT (ISIN: HRHT00RA0005)

LEI: 097900BFHJ0000029454

Listing: Zagreb Stock Exchange, Prime Market

Member State: Republic of Croatia

Sustainability Report for the year 2023 published

A long-term vision of sustainability and corporate responsibility is an integral part of HT Group business strategy with aim of delivering sustainable and profitable growth by connecting everyone in Croatia with the opportunities of digitization. In HT Group's business operations, all three dimensions of ESG are systematically implemented: environmental, social and governance, which all are important factors considered in strategic decisions. In 2023, Hrvatski Telekom adopted Sustainability Strategy, which is based on three key actions areas: climate change, resource efficiency and digital inclusion in which HT Group has set ambitious goals. Sustainability strategy reflects the ambition of the entire HT Group to be a digital and sustainable telecommunications company focused on creating value for all stakeholders - customers, employees, shareholders, partners, and society.

In the Sustainability Report for 2023, HT Group publishes information on progress in managing impacts of the environmental, social and governance aspects according to the standards of the Global Reporting Initiative (GRI). Disclosures are based on internal and external assessment of the impacts on the economy, environment and society, and the continuation of an in-depth analysis of the actual and potential adverse impacts of activities and business relationships on the environment and human rights in the value chain within 13 recognized material topics. Inclusion of expert stakeholders carried out in 2023 is a continuation of the multi-year practice of gathering the informed opinion of experts who have a good understanding of HT Group and the impacts of the ICT sector on the environment, society, and other stakeholders. During the preparation of this report, HT's and external experts conducted a mapping of potential ESG risks and opportunities, which is a base for double materiality assessment for the purpose of reporting according to the European Sustainability Reporting Standards (ESRS) for 2024.

According to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) and an obligation to publish non-financial information based on Directive 2014/95/EU, i.e. the Accounting Act of the Republic of Croatia, the Sustainability Report for 2023 contains information about how and to what extent HT Group's business activities are eligible and aligned to economic activities that are considered environmentally sustainable in accordance with Articles 3 and 9 of the Regulation on Taxonomy. Based on the requirements of the Delegated Regulation (EU) 2021/2178 on the disclosure of information on environmentally sustainable economic activities, HT Group, in its Sustainability report for 2023, provides an overview of key performance indicators (KPIs) by disclosing the proportion of Taxonomy eligible and aligned economic activities in its group turnover, capital expenditures (Capex) and operating expenditures (Opex) in 2023. Pursuant to legal obligations, taxonomy eligible economic activities are defined by the description of the economic activities in the Commission Delegated Regulations (EU) 2021/2139, 2022/1214, 2023/2485 and 2023/2486 which supplement the Regulation on Taxonomy, and which potentially significantly contribute to achieving some of the six environmental objectives, regardless of whether they meet the technical screening criteria established by delegated acts. An activity qualifies as taxonomically aligned if it meets all of the technical screening criteria, significantly contributes to at least one environmental goal, does not significantly damage any other environmental objective, and complies with the minimum social safeguards established by international conventions and principles on human and labor rights. In 2023 HT Group reported



on the compliance of economic activities defined by Commission Delegated Regulation (EU) 2021/2139 and Commission Delegated Regulation (EU) 2022/1214, which refer to activities that contribute to the climate objectives of the Regulation on Taxonomy (mitigation of climate change and adaptation to climate changes). Non-taxonomy-eligible economic activity is any activity that is not described in the delegated acts supplementing the Regulation on Taxonomy.

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About Croatian Telecom

Croatian Telecom (HT) is the leading provider of telecommunication services in Croatia, serving 0.7 million fixed lines, 2.3 million mobile customers and 0.7 million broadband connections through its Residential and Business divisions.