



To enrich our future, digitally.

ESG Report 2023



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From our CEO

As Melita continues to evolve and grow, I am proud to reaffirm our commitment to the environmental, social, and governance (ESG) targets we have set ourselves. Central to our business ethos is our dedication to contributing to society, caring for customers, caring for employees and caring for the planet whilst delivering communication products that delight our customers and would rank top tier in Europe for price/performance ratio and for Customer Service quality.

At Melita we strive to earn the respect and trust of our customers and stakeholders through our actions. In 2023, we have taken multiple steps to keep our business sustainable today and into the future. We have installed new mobile sites and invested in 10 gigabit capability on our fixed network, we are part of an exciting, world-leading project in quantum cryptography, which will ensure secure communications into the future. Our IoT business is managing over 100,000 SIM cards, with 95% of this activity beyond Malta.

Alongside these technical projects, we have adopted many improvements in our customer care processes. I am particularly excited by our adoption of AI to get our customers' queries resolved quickly and smoothly; we will continue to use this additional level of support, with the goal of driving our customer satisfaction score ever higher.

Caring for our employees is central to our sustainability: without our team we would have no business to sustain. In 2023, we updated all our retail outlets, resulting in a better working environment, with more space and light for our retail team, and our customers. Behind the scenes, we refreshed our office spaces and approached the end of our refurbishment project.

We aim to do all this whilst minimising our environmental impact as much as possible. In 2023, we maintained our carbon neutrality, whilst reducing our scope 1 and 2 greenhouse gas emissions.

As one of Malta's leading employers, we believe it is our responsibility to set benchmarks on ESG, striving to enrich our digital future while tracking our progress across 13 sustainability targets aligned with the United Nations Sustainable Development Goals. Our progress against these targets is detailed in this report. Although we didn't achieve all our targets, we did achieve most – if we had achieved them all I would have felt we weren't pushing ourselves hard enough!

Thank you for your interest in our ESG commitments, actions and progress.

















Harald Roesch
CEO – Melita Limited

In 2023, we have taken multiple steps to keep our business sustainable today and into the future.

Some 2023 figures

Society	100% 5G and gigabit broadband coverage	30% Maltese homes with ultra high-speed broadband coverage	€574K Funding allocated by the Melita Foundation
	32% Women in workforce	25 Nationalities in our team	88% Positive responses to Employee engagement survey
	62% Transactional NPS	9.2/10 Customer satisfaction	21% Reduction in complaints escalated to MCA
	Planet	39% Electric company vehicles	100% Carbon neutral on Scope 2 emissions

Awards & certifications

 ISO 27001 Information Security Management	 ISO 14001 Environmental Management	 ISO 50001 Energy Management	 ISO 45001 Occupational Health and Safety
 SCIENCE BASED TARGETS Science Based Target Initiative	 Carbon Neutral Commitment Award Malta Business Awards Carbon Neutral Commitment	 NCPE EQUALITY CERTIFIED Equality Mark Award	 Customer Service Excellence Award Malta Business Awards Customer Service Excellence
 HR QUALITY MARK HR Quality Mark Award	 9.3 Customer Satisfaction Survey	 MENTAL HEALTH FIRST AIDER SKILLED WORKPLACE Mental health First Aider Skilled Workplace	 Smart and Sustainable Business Awards
 Best CSR Initiative Award Malta Business Awards Best CSR Initiative	 SUPERIOR EXCELLENCE CUSTOMER FRIEND MELITA ICERTIAS Customers' Friend Award	 Best Buy Award	 2023 GREEN TRANSPORT INITIATIVE GOLD Malta Business Award Green Transport

Sustainability at a glance

Our purpose is

to enrich our future, digitally.

We are committed to guiding our diverse society towards an increasingly digital future, to connect, grow and advance, whilst minimising our impact on the environment, so that our future is one to look forward to.

We do this through our mission:

To deliver communication products that delight our customers and would rank top tier in Europe for price/performance ratio and for Customer Service quality.

Which we deliver whilst taking care of what's important to us.

Society

To be a technology leader to sustain and enable progress in our diverse society.

Employees

To continuously improve the standard of care for employees, inspiring us to drive our purpose and values.

Customers

To have the happiest customers amongst telecommunication providers in Malta.

Planet

Continuously reduce our environmental footprint towards Net Zero to make sure there is a world worth connecting to.

Four focus areas, 12 Sustainable Development Goals.

As a telecommunications provider, enabling progress through connectivity and digitisation is our most important contribution to society.

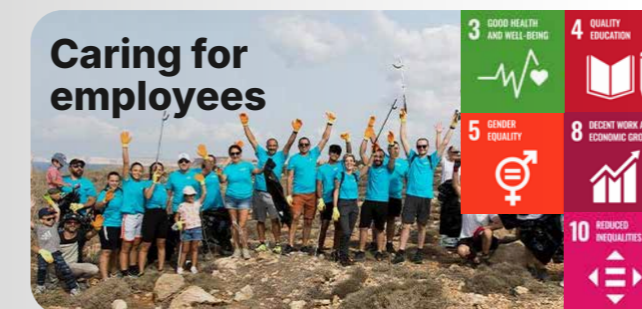
Our nationwide gigabit network makes Malta the top country in the EU for ultra-broadband connectivity as measured by the EU's Digital Economy and Society Index (DESI). This benefits our customers

directly and contributes to Malta's economy, enabling both current and future economic activity. Year after year, telecommunications infrastructure is identified as one of the most attractive features for foreign direct investment flowing into Malta, as measured by the EY Attractiveness Survey.

Our Internet of Things (IoT) connectivity enables businesses to work more efficiently, reducing the use of resources across sectors from Agriculture to Waste Management, contributing to more sustainable communities.

We remain carbon neutral and are investing in clean energy and electric vehicles to reduce our greenhouse gas emissions.

We measure ourselves across four areas.



Achievements 2023

Contribution to Society



- Nationwide 5G, gigabit and IoT over 3G, 4G, 5G and NB-IoT. LTE-M and LoRaWAN IoT available.
- Continuous investment in internet reliability, as we rollout fibre deeper into network.
- Investment in multi-gigabit internet capability: 30% of homes have 2.5 gigabit ultra high-speed capability.
- 17 mobile sites added for improved coverage and reliability.
- ISO 27001 Information Security Management maintained across organisation and data centres.
- Quantum-encrypted video call and file transfers take place on Melita network.
- 74 projects supported by The Melita Foundation, to a total of €574,000.

Caring for Customers



- 9.2/10 Customer Satisfaction through Nicereply.
- rNPS reaches highest score of 28, with 2023 average of 26.
- Customer transactional NPS of 62 for 2023.
- Happiest customers amongst industry peers.
- Complaints referred to communications regulator decreased by 22% vs 2022.
- All employees complete GDPR refresher training.
- ICERTIAS Customers' Friend Award.
- ICERTIAS Best Buy Award for Mobile Services.

Caring for Employees



- Complete refurbishment of all retail outlets. 85% of offices in Mriehel and Madliena refurbished.
- 88% positive responses to Employee Engagement survey.
- Over 60 employees' education sponsored at MQF level 5 or above since launch of the scheme.
- HR Quality Mark extended to 2026.
- Silver Certification for Mental Health First Aider Skilled Workplace.
- ISO 45001 Occupational Health and Safety in place.

Caring for the Planet



- Carbon neutral on all energy used to provide services (scope 2 emissions).
- On track to achieve 42% emissions reduction by 2030 (vs 2020) for Science Based Target commitment.
- Electric vehicles 39% of fleet.
- Green Transport Initiative winner, Malta Business Awards.
- 6% of monthly electricity usage from self-generated solar energy.
- €22,500 funding for environmental projects.
- Employees take part in tree planting, clean ups and other initiatives.
- ISO 50001 Energy Management maintained.
- ISO 14001 Environmental Management maintained.

1. Contribution to society



Our goal

To be a technology leader to sustain and enable progress in our diverse society.

Our 5 year targets

Technology	IoT	Reliable Connectivity
<p>Premium technology available at optimum price: quality ratio</p> <p>We want to provide our customers with reliable, safe, high-quality communications services, so they can keep connected for family, for work, for play, for whatever is important.</p>	<p>Nationwide IoT over 3G/4G/5G and NB-IoT. LoRaWAN and LTE-M available</p> <p>Using IoT in our homes and our businesses can reduce consumption of energy and other resources, reduce food waste, make our homes smarter, our businesses more efficient.</p>	<p>Continuous investment in improving network availability and security</p> <p>This is one of the most important aspects of our business sustainability, since connectivity is vital across our professional and personal lives. Our aim is to continuously improve network reliability, availability and security for all our customers.</p>

2023 Results

Technology	IoT	Reliable Connectivity
<p>Retain the edge on top technology at best price: quality ratio ✓</p> <p>We continue to provide gigabit internet and 5G mobile nationwide at best price. We have invested in multi-gigabit capability in our fixed internet network.</p>	<p>Retain nationwide service provision capabilities in IoT ✓</p> <p>IoT connectivity is available nationwide over 5G and NB-IoT. LoRaWAN rolls out according to customer requirements in Malta.</p>	<p>Continue investing in network reliability ✓</p> <p>In 2023, we announced a €50 million investment in our fixed network, increasing reliability as we rollout fibre deeper into our network. On our mobile network we added 17 sites for improved coverage and reliability.</p>

2. Caring for employees



Our goal

To continuously improve the standard of care for employees, inspiring us to drive our purpose and values.

Our 5 year targets

Employee Loyalty

3.5 out of 4 on key measures of employee satisfaction

We use insights collected from our employee engagement survey to forecast and understand employee loyalty, using the responses to two statements.

Diverse Workplace

35% women in workforce

Our aim is to increase women's representation at all levels and across all functions in our business, believing that diversity drives better decisions.

Looking at diversity beyond gender, we're happy to have 25 nationalities in our team, giving a broader range of perspectives and better reflecting our customer base.



2023 Results

Employee Loyalty

	Target	Actual
2023 Results <i>(Score out of 4)</i>		
I feel comfortable recommending a friend to work with Melita	3.5	3.4
I feel proud to say I work with Melita	3.5	3.4

In 2023 we kept our 2022 scores, slightly below our target. With almost all our employees enjoying newly refurbished workspaces and a refreshed look to our brand towards the end of 2023, we believe our scores will move upwards in 2024. Alongside this, we are investing in new processes to improve our employees' daily workflows.

Diverse Workplace

	Target	Actual
2023 Results		
Women in workforce	30%	32%

In 2023 we continued with our recruitment policies to welcome people from all backgrounds, and encouraged flexible and hybrid working for all employees who can work from different locations. We initiated a Women's Leadership Programme and encouraged our women team members to take up new opportunities, such as external speaking and studying.

To help our employees with young families, we are creating a room for nursing mothers at our Mriehel offices.





3. Caring for our customers

Our goal

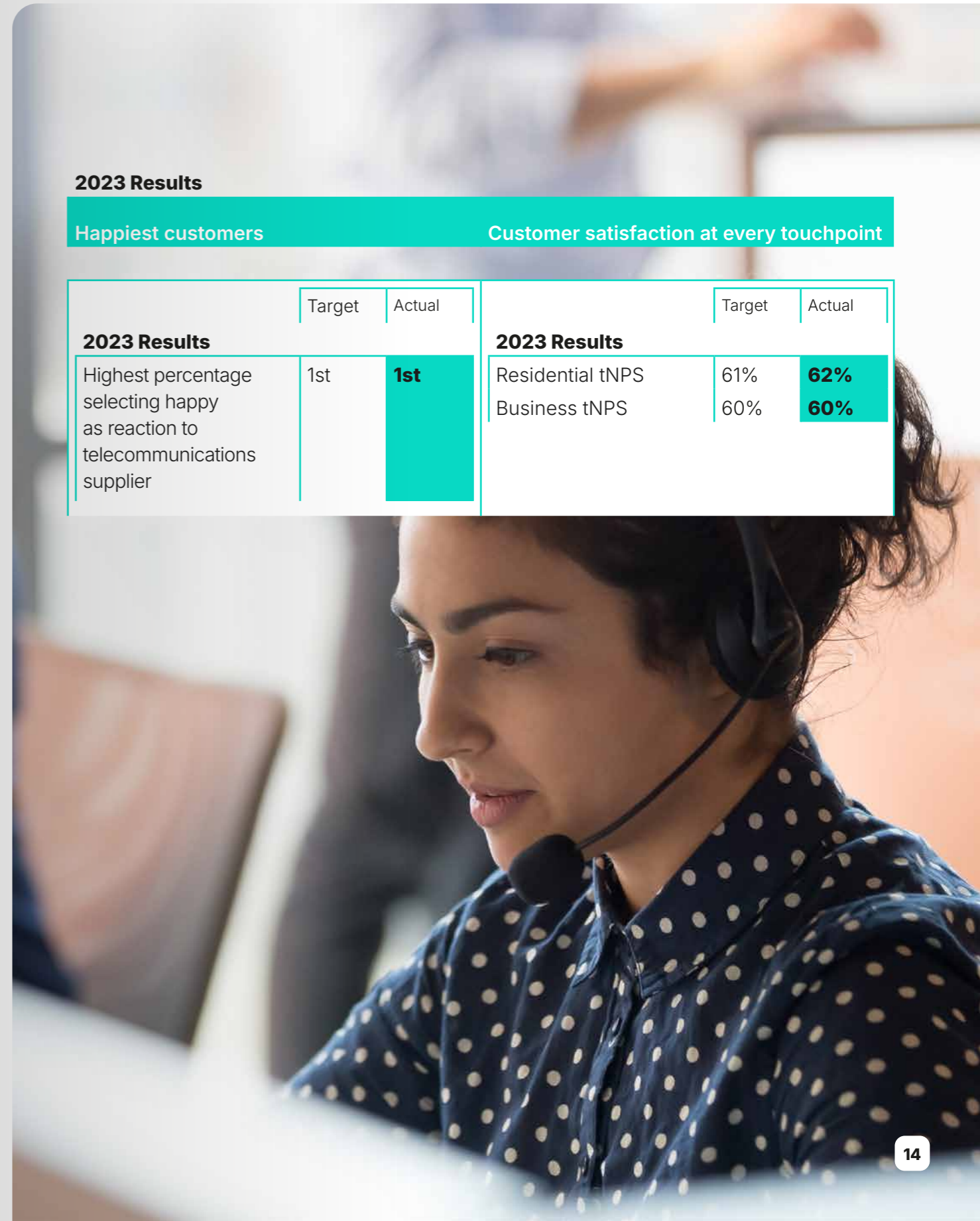
To have the happiest customers amongst telecommunication providers in Malta.

Our 5 year targets

Happiest customers	Customer satisfaction at every touchpoint
<p>Highest percentage selecting happy as reaction to telecommunications supplier</p> <p>As measured by research conducted by a third-party company amongst 800 respondents.</p> <p>Every six months, a third-party firm surveys 400 individuals about their experiences with their telecom provider. Our aim is to achieve the highest proportion of customers selecting the 'Happy' picture.</p>	<p>tNPS = 65</p> <p>Business and residential transactional net promoter score (tNPS), measured via Nicereply after every touchpoint.</p> <p>We collect feedback after every interaction with our installers, technical or care teams and store employees. To gauge customer satisfaction, we rely on Nicereply, an international third-party company, and the Net Promoter Score (NPS) methodology, a widely recognised metric for customer loyalty.</p>

2023 Results

Happiest customers	Customer satisfaction at every touchpoint																					
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4. Caring for our planet

Our goal

Continuously reduce our environmental footprint towards Net Zero to make sure there is a world worth connecting to.

Our aim is to pursue a 42% decrease in our overall greenhouse gas (GHG) emissions by 2030, relative to our 2020 levels. This target mirrors our commitment to the Science Based Targets initiative.



Our 5 year targets

Caring for our planet	Care for the environment
<p>Carbon Neutral on Scope 2 Committed to SBTi</p> <p>In line with our Science Based Target Initiative commitment across Scope 1 and 2 emissions.</p> <p>To reduce our scope 2 emissions, we continue to adopt energy-efficient technologies and invest in renewable energy sources in Malta and abroad, using Energy Attribute Certificates (EACs) for the international investments. We are reducing scope 1 emissions by transitioning our vehicle fleet to electric vehicles.</p>	<p>Funding and other support for environmental projects.</p> <p>Includes direct funding through donations or via the Melita Foundation.</p> <p>We demonstrate our commitment to environmental initiatives by providing financial backing and various other types of support. This encompasses direct funding facilitated by both corporate contributions and employee donations, as well as support extended through initiatives led by The Melita Foundation.</p>

Cutting emissions: what's in scope.

Scope 1

Direct emissions from company owned vehicles and facilities. For Melita our scope 1 emissions mainly come from our company vehicles such as our technicians' vehicles.

Scope 2

Indirect emissions from purchased electricity, heating and cooling.

Scope 3

Indirect emissions throughout our supply chain: our suppliers and our customers.

2023 Results

Caring for our planet

Care for the environment

	Target	Actual		Target	Actual
2023 Results			2023 Results		
Science Based Target Initiative commitment	On track	Ahead	Funding for environmental projects	€20,000	€22,500
Scope 1: % electric vehicles	35%	39%			
Scope 2: carbon neutral	Carbon neutral	Carbon neutral			
Scope 2: % of energy from solar	8%	1%			

We achieved all but one of our targets to cut GHG emissions, that of generating 8% of our electricity from solar power. However, we did make progress during 2023: by December 6% of our monthly electricity usage was being generated by solar.



Get in touch

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