



Clean Energy Strategy

A1 Group's strategy to purchase clean energy to contribute to the Group's target of reaching net zero latest by 2050.

A1 Telekom Austria Group, listed on the Vienna Stock Exchange, is a leading provider of digital services and communications solutions in Central and Eastern Europe, currently operating in seven countries: Austria, Bulgaria, Croatia, Belarus, Slovenia, Serbia, and North Macedonia. As a company with over 25 million customers, we are well aware of our responsibility for the environment and society.

Digitalization and the underlying technologies are considered to have the potential to reduce negative environmental impacts such as CO₂ emissions, thereby helping to combat climate change. At the same time, the increasing use of digital technologies requires expanding critical infrastructures and improving existing networks' performance. This trend can be accompanied by increased electricity consumption.

Our commitment

To keep the environmental impact to a minimum, the A1 Telekom Austria Group is committed to increasing its energy efficiency, minimizing electricity consumption, purchasing clean energy, and raising the share of renewables in electricity.

Our ambition

Our commitment to consuming clean energy is accompanied by an ambition to support the ongoing transformation of the power sector towards decarbonization with the highest positive impact on the climate (i.e., CO₂ reduction).

The Objective of the Clean Energy Strategy

The A1 Telekom Austria Group has set the target to reach net zero latest by 2050. This objective will be achieved by decreasing its carbon footprint and gradually purchasing clean energy.

This clean energy strategy aims to ensure a group-wide common approach to purchasing clean energy and raise the share of renewables in electricity to reduce CO₂ emissions. At the same time, it guides the Group's subsidiaries through different power-sourcing options. In addition, this guideline enables them to adapt the strategy to their local markets and needs. Overall, it ensures a common understanding while remaining flexible.

Our definition of clean energy

The A1 Telekom Austria Group defines clean energy as energy produced exclusively from the following sources:

- Geothermal
- Wind
- Photovoltaic
- Biomass
- Green hydrogen
- Nuclear



A1 Telekom Austria Group clearly states that CO₂ emission compensation certificates are not seen as a valuable instrument in the company's clean energy strategy. While compensation projects financed by these certificates can help remove CO₂ from the atmosphere, they are not directly linked to the electricity sourcing of the company as they are not having an impact on reducing CO₂ emissions or increasing the company's share of renewable electricity. Moreover, most compensation projects do not have a disruptive effect on the energy market and therefore are not in line with the company's ambition described earlier.

A note to the exclusion of some sources of electricity

Hydro

Electricity produced from hydro often destroys floodplain forests or displaces communities. Furthermore, hydropower plants emit significant quantities of methane gas released by plant life submerged or trapped by the dams. Finally, hydropower plants and associated dams significantly impact water supplies in the regions where they are built. For those reasons, only existing hydro production is permitted per this strategy. Conversely, new hydro projects are not a green source of electricity.

Grey hydrogen

According to some estimates, hydrogen has the greatest potential to decarbonize difficult-to-abate sectors. For example, for A1 Telekom Austria Group, hydrogen can be used in transportation and heating. While this is coupled with significant capital investments, the biggest problem is that a vast amount of hydrogen is produced from fossil fuels, resulting in GHG emissions. Therefore, A1 Telekom Austria Group excludes grey hydrogen as a green source of electricity.

Used instruments to raise the share of renewables in electricity

A1 Telekom Austria Group currently sources electricity from renewables through the listed instruments. The Group is aware that some of these options are more impactful and innovative than others. Therefore, the company aims to transfer to the most impactful instruments as time progresses. Less impactful instruments are only a valid option for the beginning of the Group's gradual transition to net carbon neutrality. However, the extent to which instruments are used depends on local availability in the countries where the A1 Telekom Austria Group operates.

On-site self-production of electricity from renewables

- The Group is committed to investing in its self-production of electricity from renewable energy sources to an economically justifiable extent.
- On-site self-production of electricity from renewables is seen as an impactful long-term option.

Power Purchasing Agreements (PPA)

- The Group sees PPAs as one of the long-term drivers of decarbonization. Referring to the company's step-by-step approach to transition, PPAs are an instrument that will become increasingly important over time.
- Power Purchasing Agreements are seen as an impactful long-term option.



Tariffs and certificates (bundled)

- In the countries where "green tariffs" (physical electricity + certificates bundled) are available, the Group strives to enter into a contract with these providers.
- In countries where "green tariffs" are currently unavailable, the Group actively engages with energy suppliers to discuss the potential of implementing this sourcing option.
- Tariffs and certificates (bundled) are seen as a mid-term option.

Guarantees of origins (GoO)

- The Group acquires a Guarantee of Origins (GoOs) when no other opportunities or investments are possible in the short term.
- Group-wide quality criteria for the procurement of GoOs ensure the greatest possible positive environmental impact.
- GoOs are seen as a quick win and short-term option.
- From a long-term perspective, A1 Telekom Austria Group strives to realize more impactful instruments (see above).

	Impact	Level of innovation	Time to impact
Guarantees of Origin (GoOs)	Low	Low	Low
Tariffs	Medium	Medium	Medium
Power Purchasing Agreements (PAAs)	High	High	Medium - High
On-site self-production	High	High	High

While all four instruments described above are valuable options to increase the company's share of renewable electricity, the table above also shows that the impact, level of innovation, and timeframe of applying these options differ:

- The A1 Telekom Austria Group defines the **level of impact** as the positive influence on the climate (i.e., CO₂ reduction).
- The **level of innovation** is seen as having the potential to disrupt the electricity markets and, therefore, drive the change to more sustainable electricity.
- The **time to impact** describes how long it takes until the option is implemented and in place. The more complex a choice is, the longer it takes.

Implementation and tracking

This group-wide strategy is implemented in all A1 Telekom Austria Group subsidiaries on a local level. The planning and implementation include evaluating the suitability and availability of instruments, a cost analysis, an implementation of a roadmap, and



estimations on CO₂ emission reductions. It has to be stated that the strategy remains flexible, as there might be changes in the availability of instruments as time progresses.

To guarantee the conscientious implementation of the strategy, the Group is committed to reporting its electricity consumption and subsequent CO₂ emissions transparently and documenting and disclosing the share of electricity from renewable sources. Furthermore, it keeps track of the progress toward a company with 100% clean energy.

The Management Board of Telekom Austria AG

A red ink signature of Alejandro Plater, consisting of stylized initials and a horizontal line at the bottom.

Alejandro Plater
COO

A red ink signature of Thomas Arnoldner, featuring a large, looped initial 'T' followed by a cursive 'A'.

Thomas Arnoldner
CEO

A red ink signature of Siegfried Mayrhofer, written in a cursive style.

Siegfried Mayrhofer
CFO