

melita

ESG Report 2022

To enrich
our future,
digitally.



Table of Contents

Melita Achievements	03
2022 Measures	03
Awards and Certifications	04
From our CEO	05
Melita Sustainability at a Glance	06
Four focus areas, 12 Sustainable Development Goals	07
What We Did in 2022	08
Contribution to society	10
Caring for Employees	11
Caring for our Customers	12
Caring for our Planet	13
Our 2023 Taregts	14
Governance – How we do what we do	15
Get in touch	15

melita

Achievements

2022 MEASURES

Society

170,000+
Mobile Customers

105,000+
Broadband Customers

100%
5G & Ultra High-Speed
Broadband coverage

Employees

34%
Women Employees

40%
Women in
Leadership Team

89%
Positive responses to
Employee Engagement
survey

Customers

59
Transactional NPS

9.1/10
Customer Satisfaction

-43%
Decrease in complaints
to MCA & MCCA

Planet

20%
Electric
Company Vehicles

100%
Carbon Neutral
on Scope 2 emissions

€500,000
Allocated by The
Melita Foundation

AWARDS & CERTIFICATIONS



ISO 27001
Information Security
Management



ISO 14001
Environmental
Management



ISO 50001
Energy
Management



ISO 45001
Occupational Health
and Safety



Science Based
Target Initiative



Malta Business Awards
Carbon Neutral
Commitment



Equality Mark Award



Malta Business Awards
Customer Service
Excellence



HR Quality Mark Award



Customer Satisfaction
Survey



Mental health First Aider
Skilled Workplace



Smart and Sustainable
Business Awards



Malta Business Awards
Best CSR Initiative



ICERTIAS
Customers' Friend Award

From our CEO

Melita is wholly committed to being a service provider one is proud to be associated with and, as part of this, we focus closely on our environmental, social and governance (ESG) responsibilities. While 2022 has brought several of our ESG highlights to the public eye, this is the result of our sustained efforts and investments. In fact, we reached carbon neutrality in 2021 and we are formally committed to long term carbon emissions reduction targets through the Science Based Targets initiative (SBTi) and their efforts to meet the goals of the 2015 Paris Agreement.

As a Telecommunications company, we see providing reliable, high-performance connectivity across Malta as one of our most important contributions to society. Melita already has the most powerful network in Europe, enabling Malta's leading position for ultra high-speed broadband connectivity in the EU DESI (Digital Economy and Society Index). We take information security very seriously, we check our performance independently, in 2022 Melita extended its ISO 27001 certificate in Information Security Management Systems to cover our head office, adding to the existing Data Centre certification.

Governance is another topic we take very seriously and we have robust policies in place to cover our code of conduct; ethics; conflict of interest; equality; diversity and inclusion; health and safety; sustainability; anti-bribery and anti-corruption; data protection; anti-bullying and whistleblowing. We take particular pride in our achievements on gender equality targets and plan to continue improving in this and other areas.

Towards the end of the year, many of our actions achieved recognition. In the November Malta Business Awards we were first runner-up in Customer Service Excellence and Carbon Neutrality Commitment, whilst also being a finalist in Best CSR Initiative. For many years, Melita has done much across the ESG spectrum, I am grateful for the input from my team and my board,

as I am proud of the progress we have made and the targets we have set ourselves. Our progress against these targets is detailed in this report: we have done well, we have achieved much, yet we have not hit all our targets; I see this as evidence of us setting ambitious targets. In 2023, we will keep heading towards the 5-year goals we have set ourselves, whilst reflecting on what we need to do differently to achieve these important milestones.

“To enrich our future, digitally.”

As a large employer in a small island, Melita can lead by example on environmental, social, and governance issues. My team and I will continue to work towards our purpose: to enrich our future, digitally. An important part of which is measuring our progress across the 12 sustainability KPIs we have set ourselves, which address 12 of the United Nations Sustainability Development Goals.

This is the first ESG report that we at Melita are publishing, as we move towards meeting EU reporting standards in 2026, the format of this report will become more standardised. For now, I hope you find the contents interesting. I would be interested in your feedback on CEOoffice@melitaltd.com

Harald Roesch

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, we see enabling progress through connectivity and digitisation as our foremost contribution to the UN SDGs.

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 and attracts business, as evidenced year after year by the EY Attractiveness Survey.

We build our networks to be reliable and resilient; able to sustain economic growth and the benefits that growth brings to society. We do not want these benefits to come at the expense of our environment.

We are carbon neutral and have implemented environmentally friendly policies and technologies to limit the environmental impact of providing our services and promote a more sustainable future.

We measure ourselves and our progress by tracking specific actions in four areas.

Contribution to society



Caring for customers



Caring for employees



Caring for the planet



What we did in 2022



Achievements 2022

Contribution to Society

>99% of residences continue to have the choice of Melita's gigabit internet service.

Melita continues to drive fibre deeper into our network, closer to homes and businesses, providing ever more reliable and capable services.

Nationwide 5G now available on all major handset providers: Apple, Samsung, OnePlus, Nokia.

Nationwide IoT over 3G, 4G, 5G and NB-IoT. We have also launched IoT services in select areas in LTE-M and LoRaWAN.

Continued investment with Tier 1 providers to manage information security risks.

Continued enhancement and testing of our information security measures including training for all employees. ISO 27001 Information Security

Management maintained across organisation and data centres.

Best CSR initiative: finalist, Malta Business Awards.

Founder member of the Malta ESG Alliance.

Joins Academy of Givers.

Converted Revolving Credit Facility to a sustainability linked loan.

Caring for Employees

78% response rate to employee survey
89% positive responses.

Gold Certification for Mental Health First Aider Skilled Workplace.

Complete refurbishment of all retail outlets, 80% of Head Office refurbished.

Hybrid working contracts for 44% of employees.

Three employees sponsored for their Maltese Qualification Framework (MQF) Level 5 Diploma.

NCPE Equality Mark extended.

HR Quality Mark maintained.

ISO 45001 Occupational Health and Safety in place.

Caring for Customers

Customer Service Excellence: first runner up, Malta Business Awards.

9.1/10 Customer Satisfaction through Nicereply.

Customer transactional NPS of 59 for year.

Happiest customers amongst industry peers.

Complaints referred to regulator decreased by 43% vs 2021.

All employees complete GDPR refresher training.

ICERTIAS Customers' Friend award: Superior Excellence level.

Caring for the Planet

Commitment to Science Based Target registered.

Electric vehicles comprise 20% of fleet.

Carbon Neutral Commitment: first runner up, Malta Business Awards.

€69,000 funding for environmental projects.

Employees support tree planting, clean ups and other initiatives.

ISO 50001 Energy Management maintained.

ISO 14001 Environmental Management maintained.

Won tenders to build solar farms that will bring close to 10% of our electricity needs from solar energy.

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

Premium technology at optimal price: quality ratio.

IoT

Nationwide IoT over 3G/4G/5G and NB-IoT. LoRaWAN and LTE-M available.

Reliable Connectivity

Continuous investment in improving network availability and security.

Technology

Our customers have access to the best our digitally connected world has to offer, at the fastest speeds, and at the lowest cost per megabit in Western Europe.

Results 2022

	Target	Actual
Nationwide 5G and fixed gigabit networks	99% +	✓

IoT

IoT is vital on the road to Net Zero. IoT can optimise loads for minimal fuel consumption; save water and reduce chemical usage in agriculture; control heating, lighting and cooling in buildings.

Results 2022

	Target	Actual
Nationwide IoT over 5G, NB-IoT and LoRaWAN	99% +	✓

LoRaWAN rolls out according to customer requirements in Malta.

Reliable Connectivity

This is critical for business, government and society, as we rely on connectivity across so many aspects of our professional and personal lives.

Results 2022

	Target	Actual
Range of information security actions taken	✓	✓

We make tailored DDoS mitigation services available to give peace of mind and protection to our Business clients who select this service. For our residential customers, the Cisco Umbrella service reduced the potential impact of over 250 million attacks in 2022. We continued customer communication through articles on our website, direct communication and posts on our social media platforms.



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.

Diverse Workplace

33% women in senior management.

Our employees are the bedrock of our success. Without our team's loyalty and commitment, our business won't be sustainable and we shall no longer contribute to economic and societal growth.

Employee Loyalty

Rather than measuring churn - which could be affected by external factors such as the economic cycle - we use results from our employee engagement survey to measure future loyalty, tracking the two questions below.

Results 2022

	Target	Actual
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

Score out of 4

Diverse Workplace



By building diverse teams at every level of the company, we can tap into all employees' talents and experience. We recognise that having diversity in decision-making positions leads to better outcomes, so we have set our 5 year target as 33% women in senior management, defined as CTO, CFO, heads of departments and their direct reports. Our 2022 target was 31.5%, rising to 32% in 2023 and 32.5% in 2024.

We know that this is a particular challenge in Malta, which in 2020 had the fourth lowest share of women in middle and senior management in the EU, at 26%. We want to lead by example locally.

Results 2022

	Target	Actual
Women in senior management	31.5%	29.5%



We narrowly missed this target, in addition to our diversity hiring guidelines and flexibility options, we are creating a women's leadership programme to mentor and develop women across the business.

3.

Caring for our Customers

Our Goal

To have the happiest customers amongst telecommunication providers in Malta.

Keeping our customers happy keeps our business going and growing. Getting customer satisfaction right shows we are providing high-quality products and services that meet the expectations of our customers.

Our 5 year targets

Happiest customers
Highest % selecting happy as reaction to supplier.

As measured by research conducted by a third-party company amongst 800 respondents.

Customer satisfaction at every touchpoint

tNPS = 65

Business and residential transactional net promoter score (tNPS), measured via Nicereply after every touchpoint.

Happiest Customers

Twice a year, an independent company asks 400 people their reactions to their telecommunication provider. Our target is to have the highest percentage of customers selecting 'Happy'.

Results 2022

	Target	Actual
Highest % selecting happy as reaction to telecommunications supplier	1 st	✓

Melita ended 2022 with over 50% of customers selecting happy, higher than the level recorded for our industry peers, at 47% and 42%.

Customer Satisfaction at every touchpoint

We ask for feedback after any interaction with our installers, our technical or care teams, and employees in our shops. To measure our customers' satisfaction, we use a third-party international company, Nicereply, and a standardised methodology called Net Promoter Score (NPS), and a widely used customer loyalty metric.

This feedback - over 20,000 ratings - from every transaction, is called transactional NPS, or tNPS.

Results 2022

	Target	Actual
Residential tNPS	>60	59
Business tNPS	60	55

Although our tNPS B2C fell below target, 2022 ended strongly, above the year average, and 2023 continued the upwards trend; momentum we will strive to maintain.

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 key target is to be on track for a 42% reduction in our direct and indirect greenhouse gas (GHG) emissions by 2030, using 2020 as our base year. This target is in line with our Science Based Target Initiative commitment and reflects the level of emissions reductions needed to limit the most damaging effects of climate change.



Our 5 year targets

Caring for our planet
Carbon Neutral on Scope 2.
Committed to SBTi.

In line with our Science Based Target Initiative commitment across Scope 1 and 2 emissions.

Care for the environment
Funding and other support for environmental projects.

Includes direct funding through donations or via the Melita Foundation.

Caring for our Planet

We have been working to reduce scope 2 emissions by implementing energy-efficient technologies, investing in renewable energy sources, reducing our overall energy consumption and acquiring Energy Attribute Certificates (EACs) to offset remaining scope 2 emissions. We have been reducing our scope 1 emissions by converting our vehicle fleet to electric vehicles.

Results 2022

	Target	Actual
Science Based Target Initiative commitment	Approved	✓
Scope 1: % electric vehicles	20%	✓
Scope 2: carbon neutral	Carbon neutral	✓
Scope 2: % of energy from solar	8%	1%

We have won Government tenders to build solar farms that will cover 8% of our energy, and are awaiting final permits.

Caring for the Environment

We support environmental projects through funding and other forms of support. This includes direct funding through company and employee donations or through The Melita Foundation.



Results 2022

	Target	Actual
Funding for environmental projects	€60,000	€69,000

Our 2023 Targets

 Contribution to Society	Retain the edge on top technology at best price: quality ratio
	Retain nationwide service provision capabilities in IoT
	Continue investing in network reliability
 Caring for Employees	Employee loyalty 3.5 out of 4
	32% women in senior management
 Caring for Customers	Happiest Customers
	61 tNPS Residential
	60 tNPS Business
 Caring for our Planet	SBTi target on track
	Scope 2: Carbon Neutral
	35% of fleet electric vehicles, 20% of energy from solar
	€20,000 Environmental funding

Governance

How we do what we do

Melita takes good governance very seriously. The Melita Code of Business Ethics and Conduct describes the values, ethical principles, and standards of the Melita way of conducting business. The Melita code is part of the Employee handbook, and it is intended to guide employees in performing tasks and demonstrates the standard by which Melita wishes to be perceived by its different stakeholders. Melita also complies with all applicable laws and regulations in Malta.

- ✓ Conflict of interest policy
- ✓ Equality, Diversity & Inclusion policy
- ✓ No Harassment policy
- ✓ Health & Safety policy
- ✓ Whistleblowing policy
- ✓ Environment & Energy policy
- ✓ Data Protection policy
- ✓ Confidentiality
- ✓ Intellectual Property violations
- ✓ Anti-bribery & Anti-corruption policy
- ✓ Anti-bullying policy
- ✓ Grievance procedure
- ✓ Freedom of Association
- ✓ Zero Tolerance to Child Labour
- ✓ Business Continuity policy
- ✓ Whistleblowing policy

Anyone wishing to contact the Whistleblowing Reporting Officer can do so by sending an email to melita.compliance@melitaltd.com or anonymously by writing to the address below.

Head of Legal and Regulatory Affairs,
 CBD Zone 1, Triq il Merghat,
 Birkakara, CBD 1020

Get in touch

-  www.melita.com/sustainability
-  sustainability@melitaltd.com
-  Melita Limited
 Zone 1, Central Business District,
 Triq il-Merghat
 Birkirkara CBD 1020

