

# Connecting with a sustainable future



# Index

## Introduction

---

Message from CEO and CSO	3
2023 Performance highlights	5

## General information

---

General basis for preparation of sustainability statements	7
Strategy, business model and value chain	11
Interests and views of stakeholders	18
Material impacts, risks and opportunities and their interaction with strategy and business model	20
Disclosure Requirements in ESRS covered by sustainability statements	23

## Reducing the Group's environmental impact

---

Climate change	31
Climate change mitigation and adaptation	32
Resource use and circular economy	47
Resource outflows	48

## Putting people at the centre of our business

---

Own workforce	54
Health and safety	55
Diversity and gender equality	58
Training and skills development	61
Collective bargaining and social dialogue	64

## Technology for a sustainable future

---

Consumers and end-users	68
Social inclusion	69
Personal safety	77
Technology for a sustainable future	81

## Acting with transparency and integrity

---

Business conduct	86
Business conduct policies and corporate culture	87
Protection of whistle-blowers	88
Management of relationships with suppliers	89
Salient human rights	90

# Message from our CEO

In releasing our annual sustainability report, I am reminded of the responsibility we hold as a leading telecommunications company in the CEE region. Our mission is centred around connectivity and digital inclusion and reflects our firm belief that access to information and communication technologies should be a fundamental right, not a privilege.

We are more than just a business—we are a community partner dedicated to empowering people through connectivity. Driven by our commitment to putting customers first, we have invested over half a billion euros in 2023 into innovative technology and digital solutions. This investment has allowed us to broaden our network coverage, improve our digital platforms and offer new services to meet our customers' diverse needs.

Artificial Intelligence is also transforming how we engage with our customers. This advanced technology reinforces our work in providing customers with personalised, streamlined and service-oriented processes. Our commitment to providing high-quality service contributed to a 7.7% increase in revenue in 2023, which demonstrates the strength of our business model.

The Group's success is a collective effort—the result of teamwork and a mutual dedication to excellence. At the Group, we promote an environment that encourages personal development and growth, and we are introducing new initiatives to further support diversity, equity and inclusion in our workplace.

As we progress towards sustainability, our dedication to continuous improvement remains unchanged. We aim to increase transparency and reflect the Group's impact on people and the environment more accurately by improving the availability and quality of our data. As ever, we are grateful for the support of our employees, customers and partners who align with our vision for a sustainable future.

Looking ahead, I am excited about the opportunities before us as we integrate sustainable practices into our core business strategy to drive growth and long-term value creation. Together, we are moving forward towards a more connected and sustainable world.

Thank you,



Balesh Sharma  
CEO



# Message from our CSO

As a telecommunications company, we have the power to connect people, foster innovation, and drive economic growth. With this power comes great responsibility—the responsibility to ensure that our growth does not come at the expense of the environment and people. In 2023, we have made considerable progress in our sustainability initiatives, and I am proud to share our accomplishments with you.

Despite significant challenges, we remain committed to reducing our environmental footprint. With the advent of 5G and AI, the demand for data is expected to grow. In 2023 alone, our total data traffic increased by 45%. Owing to our transition to the latest energy-efficient technologies in our networks from Ericsson and other partners, we have reduced our emissions per unit of transferred data. However, the total energy consumption for operating our networks is increasing.

To address this, we have prioritized our energy efficiency programmes and are investing in renewable energy sources. In 2023, we signed power purchase agreements in Bulgaria, and with renewable energy certificates for our operations in Serbia, we expect the share of renewable energy in our mix to reach approximately 25% by 2024. Our efforts to strengthen our climate change management and transparency were recognized with an improved

CDP rating, from B- to B. Another significant milestone ahead is setting our decarbonization target with the Science Based Targets initiative (SBTi) in 2024.

But sustainability is not just about reducing our environmental impact. It is about leveraging our technology and resources to promote digital inclusion, foster a diverse and inclusive workplace, and uphold the highest standards of corporate governance. The 2023 sustainability report provides a comprehensive overview of our performance in key ESG areas and is a testament to our dedication to transparency. We believe in continuous improvement and strive always to do better. We have accelerated our preparations for Corporate Sustainability Reporting Directive, focusing on the double materiality assessment under EFRAG's guidelines, climate risk analysis, and supplier assessments.

As you will see, this report is the first step towards reporting under the new European Sustainability Reporting Standards. We are proud of our achievements, and we recognize that there is still much more that can be done. We remain committed to our journey towards sustainability and look forward to sharing our progress with you.

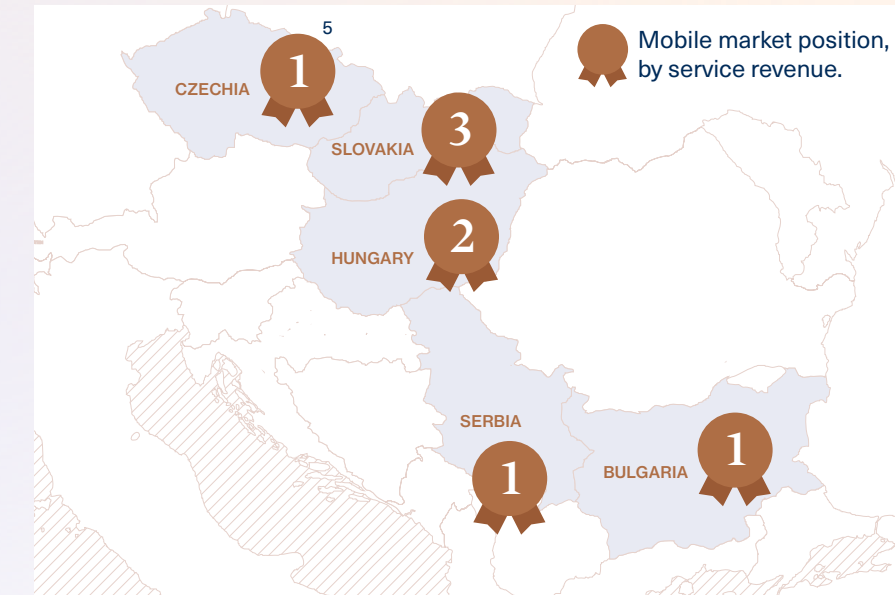


Marek Sláčík  
Chief Sustainability Officer



# 2023 Performance highlights

## Strong and stable position in five markets



### Network assets and services

	►CETIN	►CETIN	►CETIN			
	Czechia	Slovakia	Hungary	Bulgaria	Serbia	Total
<b>Own mobile sites</b> (in thousands)	6.3	1.0	2.8	2.8	1.8	<b>14.7</b>
<b>Fixed lines leased to operators<sup>1</sup></b> (in thousands)	1,245	n/a	n/a	n/a	n/a	<b>1,245</b>
<b>Employees<sup>6</sup></b> (in thousands)	2.5	0.1	0.2	0.3	0.3	<b>3.4</b>

### Telecommunications services

	O <sub>2</sub>	O <sub>2</sub>	Yettel.			
	Czechia	Slovakia	Hungary	Bulgaria	Serbia	Total
<b>Mobile subscribers<sup>2</sup></b> (in thousands)	5,809	2,303	3,701	3,235	3,028	<b>18,076</b>
<b>Mobile revenue market share<sup>3</sup></b>	33%	25%	27%	35%	37%	<b>n/a</b>
<b>Population covered by 4G service</b>	98%	98%	100%	100%	97%	<b>99%</b>
<b>Population covered by 5G service</b>	87%	67%	39%	71%	n/a	<b>55%</b>
<b>Fixed broadband subscribers<sup>4</sup></b> (in thousands)	1,119	75	63	70	91	<b>1,417</b>
<b>Employees<sup>6</sup></b> (in thousands)	4.3	0.8	1.7	2.1	1.7	<b>10.6</b>

Source: Company data, Analysys Mason

[1] Comprising DSL and FTTH, provided on a wholesale basis

[2] Including M2M subscribers; pre-paid subscribers reported using 3 months active criterion

[3] Market shares for 2022, published by Analysys Mason, May 2023

[4] Comprising DSL, FTTH, and FWA

[5] #1 position in mobile and fixed markets combined; #1 position in fixed market, #2 position in mobile market

[6] Total number of employees by head count at the end of 2023



# General information

ESRS 2 General disclosures



## ESRS 2

# General disclosures

## General basis for preparation of sustainability statements

The 2023 Sustainability Report has been prepared on a consolidated basis according to the same principles as the financial statements and encompasses the parent company PPF Telecom Group B.V. (the “Company”) and its controlled subsidiaries (the Company and the subsidiaries collectively the “Group”). Associates and joint ventures are excluded from the consolidated data points, which follow the principles above, unless otherwise noted.

The materiality assessment, forming the basis of this sustainability report, was prepared in accordance with the Global Reporting Initiative’s guidelines and evaluates the Group’s activities and their impact across its value chain. In 2023, the assessment was updated to reference the European Sustainability Reporting Standards (ESRS) issued by the European Financial Reporting Advisory Group (EFRAG), marking an initial step towards compliance with the new EU Corporate Sustainability Reporting Directive (CSRD).

The 2023 sustainability report references the ESRS and has been adjusted marginally in structure and terminology as part of the Group’s progress towards meeting CSRD requirements. All data points included in the report have been assessed as material. In accordance with the ESRS transitional provisions, certain value chain

information is omitted where satisfactory data integrity was unavailable at the time of reporting.

The calculation and presentation basis for the sustainability metrics is detailed in the respective notes. Metrics are collected from the Group’s operational units, relying on local management systems, and are typically derived from process data systems, measurements, calculations and purchasing data. Controls are implemented to ensure the completeness and accuracy of reported information. However, the absence of universally accepted reporting standards and practices for certain data and the scope of the sustainability statement may introduce uncertainties in this information.

We regularly reassess our use of estimates and judgements based on experience, developments in ESG reporting, and various other factors. Changes in estimates are recognized in the period when they are revised, and described in the notes to the respective metrics.

All greenhouse gas data points (GHG scope 1-3) are reported in accordance with the Greenhouse Gas Protocol. Assessments and estimates are used for reporting certain data points, such as Scope 3 emissions.

The sustainability statement covers the

period from January 1 to December 31, 2023. Operations sold or demerged during the year are excluded, unless specified. Data from discontinued or closed operations are included for the part of the reporting period during which they were operational, unless otherwise stated.

In addition to statements of fact, this report contains certain forward-looking statements, including, but not limited to, those regarding the financial position, business strategy, management plans, and objectives for future operations of the Group. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Group’s actual industry results, performance or achievements to differ materially from those expressed or implied. The factors influencing these differences include, among others, global socio-demographic and

economic trends, climate-related conditions, legislative and regulatory changes, and unforeseen events. These forward-looking statements are assessed on numerous assumptions about the Group’s present and future business strategies and the environment in which the Group expects to operate.

Certain information in this report related to goals, targets, intentions or expectations is therefore subject to change, and no assurance can be given that such goals, targets, intentions or expectations will be met. We advise against placing undue reliance on any forward-looking statements.

\*PPF Telecom Group (“PPF Telecom Group” or “the Group”) includes PPF Telecom Group B.V. (the “Company”) and all its subsidiaries.



# Role of the administrative, management and supervisory bodies

Management structure of the Company consists of Board of Directors (hereinafter the “Management Board”). Although established under Dutch law as a two-tier structure, the Company has no administrative, management or supervisory body other than the Management Board and streamlines its governance by having all members of the Management Board serve as executives. The Management Board is responsible for representing the Company in all matters and overseeing the day-to-day management of the company’s business operations.

The Management Board acts as the Company’s statutory body and directs operations on the Company’s behalf. Members of the Management Board are elected by the General Meeting of PPF Telecom Group B.V., for a term of office determined at the discretion of the General Meeting. Re-election of Management Board members is permitted. Pursuant to the Company’s Articles of Association (the “Articles of Association”), the Management Board must comprise at least one member.

All three members of the Management Board are executives. They are required by Dutch law to perform their duties in the best corporate interest of the Company and its undertakings. Pursuant to the Articles of

Association, the members of the Management Board are authorised to represent the Company solely and independently.

The composition of the Management Board and the combined experience and expertise of its members reflects the best fit for the profile and strategy of the Company. Under the present conditions and availability of qualified candidates, this has resulted in a currently all-male board. There is no statutory requirement regarding the minimum number of Management Board meetings.

As the Company does not have securities traded on a regulated market, it is not classified as a Public Interest Entity and thus not required to establish an audit committee. However, the Company’s ultimate parent company, PPF Group N.V., has an audit committee that may also serve as PPF Telecom Group’s audit committee.

The Company’s Management Board is supported by a layer of senior management, consisting of the Chief Executive Officer (CEO), Chief Technology Officer (CTO), Executive Director for CEE, Chief Commercial Officer (CCO) and the CEOs of the operating subsidiaries. These leaders have extensive experience in the telecommunications sector, particularly in Central and Southeastern

Europe. Top management at the Group’s subsidiaries also have extensive knowledge of their respective local markets.

Senior management formulates the Group’s strategy based on the Management Board’s objectives for the Group’s subsidiaries and regional activities abroad to deliver these objectives. Senior management manages the knowledge transfer between subsidiaries to disseminate best practices across the segment’s commercial, purchasing, organisational, technological, procurement, financial and other operations. Subsidiary management teams are responsible for meeting operational and financial objectives set by the Group and managing the commercial, financial and

regulatory aspects of their operations.

Senior management holds monthly review meetings with the CEO, CFO and CCO of each of the Group’s segments to discuss financial, business and operational performance for the previous month. Ad hoc meetings on specific topics are also organised as needed. Annual and long-term strategic plans are prepared every year, using a detailed bottom-up approach, and approved by PPF Group N.V. as the Group’s shareholder. The Group focuses on optimising and achieving synergies, driving organic growth, investing in infrastructure, innovation and technology, and improving efficiency to strengthen its business resilience, maximize core expertise and develop new business areas.





# Information provided to and sustainability matters addressed by the management board and senior management

The Group's sustainable business strategy is intricately aligned with its business goals and their maximum possible socioeconomic benefits. This strategy, underpinned by robust governance processes, was developed with extensive stakeholder input and formally approved by senior management, the highest executive body of the Group.

Ultimate accountability for the Group's sustainability strategy and commitment to effective operations rests with the CEO and the Group's Sustainability Executive Committee. Led by the Chief Sustainability Officer and supported by senior management, the committee reviews the progress of the Group's sustainable business strategy every quarter and ensures accurate and timely sustainability-related disclosures.

The Group's Sustainability Steering Committee, established to define and lead the Group's sustainability initiatives, meets monthly. It collaborates with local market and professional function teams to advance the various programmes, projects and initiatives outlined in this report. The implementation of our sustainable business strategy is dependent

on effective leadership within the relevant business areas. The committee provides advice and guidance, supporting the operational delivery of the Group's sustainability agenda in conjunction with sustainable business specialists in each of its local markets.

The Management Board receives annual updates on the progress of the Group's sustainable business strategy, ensuring alignment and oversight at the highest level.

To integrate the sustainability strategy into the organisation's core, we introduced sustainability training across the entire Group, the goal being to achieve 100% participation at the senior management level and at least 50% employee participation by 2023. As of this report, we have achieved 75% at the senior management level and 35% employee participation, with the aim to meet the remaining target by the end of 2024.

# Integration of sustainability-related performance in incentive schemes

Energy savings are an important decarbonization lever for PPF Telecom Group. Given that Scope 1 and 2 emissions constitute 22% of our total GHG emissions, with CETIN, our network arm, being responsible for 81% of these emissions, PPF Telecom Group has developed a KPI to track emission reductions through energy savings at CETIN. The KPI is measured by OPEX savings achieved through meeting annual energy savings targets and is weighted according to the total GWh saved and timely implementation of planned initiatives.

This CETIN-wide KPI impacts the remuneration of all CETIN employees. It is integrated into the bonus structure for the CETIN CEO, who also serves on the PPF Telecom Group board, as a percentage of salary. The CETIN CTO's bonus is also linked to specific energy efficiency improvements and energy savings targets, aligning executive financial incentives with the Group's sustainability objectives.



# Statement on due diligence

Sustainability Due Diligence (SDD) is the process by which the company identifies, prevents, mitigates, and reports actual and potential negative impacts on the environment and people resulting from its activities. This process also encompasses practices related to changes in the company’s operational strategy, business model, activities, business relationships, and in the context of acquisitions or divestments.

At the core of this practice is the systematic approach to identifying and measuring the negative impacts that arise or may arise from operations, directly linked to the company’s activities, products, services, and business relationships across the value chain.

Core elements of due diligence	Pages in the sustainability statement
Embedding due diligence in governance, strategy and business model	9, 10, 14–17, 20, 86–90
Engaging with affected stakeholders in all key steps of the due diligence	19
Identifying and assessing adverse impacts	22
Taking actions to address those adverse impacts	35, 36, 49, 50, 56, 59, 62, 64, 71, 73–76, 79, 80, 83, 84
Tracking the effectiveness of these efforts and communicating	37–41, 51, 52, 57, 60, 63, 65, 66, 72

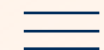
# Risk management and internal controls over sustainability reporting

The Group has implemented risk management procedures across all its material segments to ensure business continuity and effective emergency responses. Each segment continually identifies the Group’s uncertainties and risks and evaluates their potential financial impacts and likelihood. Significant risks are periodically monitored. Preventive measures are applied to effectively limit the impact or the likelihood of these risks, with their effectiveness periodically reviewed by management.

Key operating risks in the segment include issues related to network capacity and quality, business-critical systems, and cybersecurity. The Group’s dedicated executive team plays a crucial role in improving the segment’s resilience against operating risks by sharing best practices across segments and strategically deciding on investment

programmes and future developments for critical network and systems capabilities.

We acknowledge the risks associated with incomplete or inconsistent sustainability reporting, including risks associated with greenwashing. Additionally, there are risks related to the accuracy of data inputs and manual errors during the aggregation of data from multiple systems into the corporate disclosure management system. To mitigate these risks, we are establishing comprehensive controls over our sustainability reporting process. This includes implementing review controls for both quantitative and qualitative data in the sustainability statements by business areas and group functions.



# Strategy, business model and value chain

## Description of our business model

The Company is a holding company of leading providers of retail, wholesale and infrastructure telecommunications and other services in CEE. The Group's services include mobile telecommunications, fixed-line telecommunications, infrastructure-related services, data services and internet television. Operating in Czechia, Slovakia, Hungary, Bulgaria and Serbia, the Group tailors its services and operating models to suit the regional and service-specific requirements.



### 1. Convergent commercial telecommunications operator

O2 Czech Republic is a premier provider of fixed and mobile convergent telecommunications. The company caters to retail, corporate and government market segments through its own retail network and dedicated sales representatives. The company owns mobile spectrum licences and operates core radio access networks, but subcontracts most of its network infrastructure needs to CETIN Czechia.

O2's main products and services:

- **Mobile services:** Internet and data, voice services, multimedia message services and short message services on a contract or prepaid basis, with various tariffs for different market segments.
- **Fixed services:** Internet connectivity, data and TV and fixed voice services, offered standalone or bundled with other fixed and mobile services.
- **Device sales:** Handsets, modems, TV set-top boxes and other devices complementing the company's telecommunications services and products.
- **Other mobile services:** Provision of wholesale mobile network services to virtual operators.
- **ICT services:** Complex customer solutions and managed services, including system integration, outsourcing services, project solutions and software development.



### 2. Wholesale infrastructure provider

CETIN Czechia is a premier wholesale provider of fixed and mobile telecommunications infrastructure, serving telecommunications operators on an equal and transparent basis. Unlike retail service providers, CETIN Czechia does not engage directly with end users. As the owner and operator of the largest telecommunications infrastructure portfolio in Czechia, CETIN Czechia offers an extensive range of services. Its infrastructure includes the nation's most comprehensive fixed access network, featuring both copper and fibre lines. The company also manages radio access networks for mobile services in the eastern part of the country under a network sharing agreement with T-Mobile Czechia. CETIN's infrastructure includes a transport network and data centres that interconnect fixed and radio

access networks, points of presence, and transport network and switching equipment essential for international voice call transits. For mobile services in the western part of the country, CETIN Czechia provides a radio access network operated by T-Mobile Czechia under a network sharing arrangement. Additionally, the company oversees a nationwide real estate portfolio, which includes properties owned or leased to house its telecommunications equipment.

CETIN's main wholesale products and services:

- **Mobile network services:** Primary provider for O2 Czech Republic. It also operates mobile networks for T-Mobile Czechia under network-sharing arrangements. Lease transmission station capacity is a secondary source of income.



- **Mass fixed-line network services:** Provides access to fixed-line networks, covering the majority of housing units in the country, offering related voice services, xDSL or fibre broadband Internet access, IPTV, local-loop unbundling, and technology collocation.
- **Data services:** Offers data services to operators on leased lines for corporate customers.
- **International transit services:** Facilitates international voice traffic transmission for operators worldwide.
- **Other services:** Includes dark fibre leasing, data centre housing, national interconnection services, roaming support, forced network transfers, duct leasing, and related services.

CETIN Slovakia, CETIN Hungary, CETIN Bulgaria, and CETIN Serbia own and manage mobile telecommunications infrastructures previously owned and operated by O2 Slovakia, Yettel Hungary, Yettel Bulgaria, and Yettel Serbia, respectively.

Main products and services:

- **Mobile network services** – Provided wholesale, mainly to O2 Slovakia, Yettel Hungary, Yettel Bulgaria, and Yettel Serbia.



### 3. Mobile operator

Mobile telecommunications providers to end users in retail, corporate, and government market segments. O2 Slovakia, Yettel Hungary, Yettel Bulgaria, and Yettel Serbia are major mobile telecommunications providers catering to retail, corporate, and government market segments within their respective national markets. These companies market their services to retail users through their proprietary network of shops and to corporate and government clients via dedicated sales representatives. They hold

mobile spectrum licences, essential for their service offerings. However, the majority of the network infrastructure necessary to deliver these services is subcontracted from CETIN Slovakia, CETIN Hungary, CETIN Bulgaria, and CETIN Serbia.

Main products and services:

- **Mobile services:** Prepaid or contract-based internet and data, voice services, multimedia message services, and short message services with various tariffs targeting different market segments.
- **Fixed services:** Internet connectivity, data, TV and fixed voice services, offered through

Fixed Wireless Access (FWA) via their own mobile networks, networks operated by CETIN, or through wholesale access to other operators' networks.

- **Device sales:** Handsets, accessories and other devices that complement their telecommunications services and products.
- **Other mobile services:** Provision of wholesale mobile network services.
- **ICT services:** Complex customer solutions and managed services, such as system integration, outsourcing services, project solutions and software development.





### Revenues and operating profits by segment and country

2023, in EUR millions	Revenue	EBITDA <sup>1</sup>
O2 Czechia	1,466	472
O2 Slovakia	349	78
Yettel Hungary	615	126
Yettel Bulgaria	503	151
Yettel Serbia	509	144
CETIN Czechia	816	418
CETIN Slovakia	93	69
CETIN Hungary	175	119
CETIN Bulgaria	141	101
CETIN Serbia	121	92
<b>PPF Telecom Group consolidated</b>	<b>3,776</b>	<b>1,757</b>

[1] Earnings before interest, taxes, depreciation, amortization, and impairments

### Key parameters end of 2023

#### Mobile services:

**18.1M**  
customers

#### Pay TV :

**770k**  
subscribers

#### Fixed broadband services:

over  
**1.4M**  
customers

#### 5G networks:

operational in  
**4**  
of the Group's  
five markets



### Business strategy link to sustainability

At PPF Telecom Group, we are committed to driving impact by embedding sustainability into our business operations.

**Our mission is to provide high-quality, affordable connectivity and digital solutions to as many people as possible, enhancing their productivity, health and security. Through sustainable practices and the deployment of state-of-the-art technology, we also aim to minimize our environmental footprint.**

In pursuit of our mission and success, the Group's decisions are guided by three strategic objectives:

#### The Best Network

We are dedicated to building the best and most secure converged network in Central and Southeastern Europe. The Group injects substantial investment into 5G and fibre optic infrastructure, digitalisation and cybersecurity. We also provide extensive training and upskilling opportunities for our employees. To maximise the potential of emerging technologies, we share best practices across all our countries of operation.

#### The Best Customer Experience

To fully leverage the quality of its infrastructure, the Group strives to deliver an unparalleled customer experience. We ensure that accessing and using our services and products is straightforward, with transparent pricing policies based on cost and value. This allows customers to make informed decisions and choose the services that best meet their needs. Our commitment to customer data security and privacy is paramount, and we continuously review and improve our processes to enhance customer satisfaction.

#### The Best Performance

As the industry-leading company in Central and Southeastern Europe, the Group consistently drives innovation and investment in its product portfolio. We recognize our duty of care towards our employees and the environment and are dedicated to protecting both. Transparency in our operations and undertakings is a cornerstone of our corporate responsibility. We actively pursue our objectives to achieve long-term success, enhance competitiveness, and create value for all our stakeholders.

### Driving impact by embedding sustainability into our business operations





# PPF Telecom Group sustainability strategy

ENVIRONMENT E1 & E5	PEOPLE S1	TECHNOLOGY S4	TRANSPARENCY G1
<p><b>Objective:</b></p>	<p><b>Objective:</b></p>	<p><b>Objective:</b></p>	<p><b>Objective:</b></p>
<p><b>Reducing the Group’s Environmental Impact</b></p> <p>The Group recognizes its responsibility to address climate change, promote environmental protection, and respond to pressing environmental challenges. Committed to minimizing its environmental footprint across the entire value chain, the Group focuses on improving energy efficiency, achieving fuel savings, sourcing renewable energy, and managing input materials and waste effectively.</p>	<p><b>Putting People at the Centre of our Business</b></p> <p>The Group is dedicated to investing in its workforce and fostering an equitable, diverse, and inclusive working environment. This long-term commitment includes supporting inclusion and diversity through recruitment and career advancement opportunities, safeguarding employee health, safety and wellbeing, and providing comprehensive learning and development opportunities.</p>	<p><b>Accelerating Technology for a Sustainable Future</b></p> <p>The Group aims to ensure digital inclusion for all customers and communities by providing secure access to digital technologies. Our core purpose is to build a connected future that benefits businesses, people, and the environment through innovative solutions, investment in network infrastructure, and robust security solutions. We are committed to continually enhancing the digital capabilities of our staff, customers, and the wider public. Actively listening to customer needs and engaging with the communities where we operate are critical actions in our commitment to benefit society.</p>	<p><b>Operating with Transparency and Integrity</b></p> <p>The Group is built on principles of transparent governance, integrity, and ethical foundations. Responsible corporate governance is integral to the Group’s sustainability activities, ensuring value for stakeholders by maintaining trust, sourcing responsibly, adhering to anti-corruption and anti-bribery policies, and enforcing a zero-tolerance towards legal violations.</p>
<p><b>Targets:</b></p>	<p><b>Targets:</b></p>	<p><b>Targets:</b></p>	<p><b>Targets:</b></p>
<ul style="list-style-type: none"> <li>• Achieve carbon neutrality by 2050</li> <li>• Set emissions reduction targets in line with the Science Based Targets Initiative by 2024</li> <li>• In the interim, reduce emissions by 40% in Scopes 1 and 2 by 2030</li> <li>• Reuse, resell or recycle 100% of decommissioned equipment by 2025 (CETIN)</li> <li>• Repair, reuse or recycle e-waste to prevent at least 250 tonnes from going to landfill by 2025 (Yettel, O2)</li> <li>• Implement a circular economy plan by 2024</li> </ul>	<ul style="list-style-type: none"> <li>• Achieve greater than 60% participation in company surveys and improve that figure annually</li> <li>• Maintain zero fatal or life-changing injuries in our workplace</li> <li>• Establish a group-wide talent development programme to oversee initiatives that enhance diversity in the Group’s talent pool and eliminate unconscious bias cultures</li> <li>• Support local communities through donations and active engagement</li> </ul>	<ul style="list-style-type: none"> <li>• Provide 5G connectivity to at least 80% of the population in the countries where we operate by 2027</li> <li>• Train 500,000 people, including teachers, children and adults, in digital skills by 2025</li> <li>• Deliver data protection security solutions to at least 40% of the Group’s applicable postpaid consumer segment customers by 2025 (target increased from 20% to 40%)</li> </ul>	<ul style="list-style-type: none"> <li>• Establish a sustainable supply chain programme addressing legal and environmental responsibilities and human rights, and implement the programme with key suppliers by 2024.</li> <li>• Introduce sustainability-related training across the entire Group, aiming for 100% participation by senior management and at least 50% employee participation by 2024 (target year extended from 2023 to 2024)</li> </ul>



## Description of our value chain

Value chain mapping is a process through which the Group identifies key activities linked to its services or product lines. This mapping aims to uncover performance opportunities and assess the company's impact in areas such as sourcing, transport, development, consumption, and disposal. Given the extensive and complex nature of the telecommunications value chain, which involves hundreds of businesses, it is important to understand these dynamics thoroughly. The telecommunications sector's environmental impact stems from various stages of the value chain, including raw material extraction, processing, production and assembly of electronic devices and equipment, packaging, and transportation. The energy consumed by operating networks and using devices is also a factor. Beyond environmental considerations, the value chain also encompasses social issues, such as human rights protection and access to connectivity and digital services. Responsible, transparent operations in compliance with applicable laws and regulations are crucial, chiefly falling under the area of governance but impacting both environmental and social outcomes. The Group's activities and its relationships with other companies or individuals contribute to its overall footprint. Our simplified value chain consists of three key stages:

1. Sourcing (upstream)
2. Operations (own operations)
3. Use and disposal (downstream)

Through every stage of its value chain,

The Group adheres to applicable laws and regulations and operates in accordance with its Code of Conduct.

The summary below outlines the areas where material topics might have an impact and illustrates the organization's involvement in these processes. It highlights the Group's direct impact through its activities, products, and services and where it contributes indirectly through business relationships.

### Stage 1 Sourcing

The Group procures a wide range of products, services and solutions, including electronic devices and network equipment. These finished products are either sold to customers or used in our network and business operations. The Group does not manufacture its own products but instead purchases its electronics equipment and network components from large multinational companies. Its largest expenditures are in information and communications technology (ICT) components, which are either sold to customers or used in the construction and maintenance of our physical network infrastructure.

The key stages in manufacturing these products include mineral extraction and refinement, parts and component manufacturing, product assembly, testing, packaging and distribution. Each stage presents its own risks and impacts on both the environment and people. For instance, electronic products contain significant quantities of metal, including precious metals such as tin, tantalum and gold, which require complex separation processes. These processes

often result in significant environmental impacts, for example water pollution, high energy consumption, and ecological damage. Furthermore, metals extraction frequently occurs in countries with poor human rights records. The Group actively assesses the risks associated with these stages in its value chain. Key areas of concern include the consumption of non-renewable resources, high energy consumption in technological processes, worker health and safety, labour rights, and issues related to corruption and bribery. Consequently, the Group is in the process of implementing specific sustainable supply chain initiatives to mitigate these impacts.

#### Material topics:

- **Climate change**
- **Circular economy**
- **Business conduct** (including management of relationships with suppliers, workers in the value chain, and environmental protection)

### Stage 2 Operations

Network infrastructure is the foundation of the Group's operations, services and customer experience. By investing in the latest technologies and upgrading its services and network infrastructure, the Group ensures the installation and maintenance of essential equipment such as base stations, nodes, exchanges and network cables. This guarantees uninterrupted network functionality, reliability and connectivity, facilitating the path for digital transformation. The rapid evolution of technology necessitates

continuous upgrades to the Group's network and systems, which in turn generates e-waste. However, advancements in technology, particularly the rollout of 5G, enable improvements in energy efficiency, despite increasing data transfer volumes and energy consumption. The Group offers a comprehensive range of products and services to a diverse customer base, including individual consumers, small businesses and large corporations. These products are distributed to customers through retail networks and online platforms, supported by a variety of communication channels. Third-party and in-house logistics companies transport products from suppliers to retail stores or directly to customers. Data protection and privacy is a top priority in both the retail and infrastructure segments of the Group's business. Employees are integral to the success of the Group's operations. We therefore prioritize employee health, safety and wellbeing, along with promoting equality, inclusion and opportunities for learning and skills development in the workplace. The Group is committed to improving energy efficiency across its operations, stores and offices, using renewable energy to limit emissions, and minimizing waste generation.

#### Material topics:

- **Climate change**
- **Circular economy**
- **Own workforce**
- **Consumers and end-users**
- **Business conduct**





**Stage 3  
Use and disposal**

The Group plays a vital role in connecting people and businesses, providing easy and secure access to information, products, and services. We also assist customers and communities, including vulnerable groups, in acquiring essential digital skills. As consumers purchase and use the Group’s devices, the rapid pace of technological advancement prompts frequent upgrades to the latest phones and other electronic devices. This trend contributes to the generation of significant e-waste. Consequently, responsible e-waste management and increasing the recovery, reuse and recycling of end-of-life mobile phones and other electronic devices sold by the Group have become top priorities. The Group is also exploring innovative solutions to enhance customers’ daily lives through digital technologies, such as the Internet of Things (IoT) and other smart applications, while ensuring the protection of their data and privacy.

**Material topics:**

- **Climate change**
- **Circular economy**
- **Consumers and end-users**
- **Business conduct**

# Our material topics across the value chain





# Interests and views of stakeholders

At the Group, we recognise our responsibilities towards customers, employees, business partners and investors. Close engagement with our stakeholders allows us to better understand their evolving expectations, informs our strategy, and enables us to share our plans and progress. Open and transparent dialogue is a cornerstone of the Group's operations.

Active engagement with our stakeholders both locally and globally provides us with insight into their interests and needs, enabling us to address potential issues effectively and promptly. In response to the growing interest in the Group's sustainability credentials, we are enhancing our reporting capabilities and strengthening our sustainability governance.

Management will hold regular meetings with investors and analysts to discuss the Group's sustainability strategy and results, and will engage more closely with suppliers. To identify priority issues, we continuously assess stakeholders' expectations through various engagement channels within the Group.

## Associations

Collaboration is essential to achieving meaningful and lasting progress towards a more sustainable future. Many sustainability challenges are highly complex, involving multiple dimensions and requiring a comprehensive understanding of these issues.

Partnering with various organizations allows us to better understand these challenges and identify solutions that lead to improved and more agile decision making. Collaboration also leads to more significant and impactful initiatives that we could not otherwise achieve alone.

### United Nations Global Compact

PPF Telecom Group is a participant in the United Nations Global Compact, the world's largest corporate sustainability initiative, alongside 15,000 other companies. By committing to the Ten Principles of the UN Global Compact, we pledge to operate in a manner that meets fundamental responsibilities in human rights, labour, the environment and anticorruption. We also commit reporting our ongoing efforts annually.

Participation in this initiative allows us to leverage partnerships with a diverse range of stakeholders, including NGOs, industry experts, companies from different sectors, and other countries, using the extensive resources offered by the initiative to make a greater impact.

### Telefónica Partners Programme

In 2022, the Group joined the Telefónica Partners Programme, which was launched

by Telefónica in 2011. This initiative aims to foster collaboration and innovation among leading telecommunications companies worldwide, scale up successful partnerships, and promote sharing of industry experience and best practices, including those related to sustainability. The programme includes nine leading telcos (China Unicom, Bouygues Telecom, KPN, PPF Telecom Group – O2, CETIN and Yettel, MTN Group, Singtel Group, Síminn, Wind3, and most recently, STC Group) covering 38 markets in Europe, Africa, Asia and the Middle East.

### GSM Association (GSMA)

The Group is a member of GSM Association (GSMA), representing over 1000 mobile operators and businesses. GSMA provides data, resources and tools to facilitate effective collaboration and digital innovation, helping businesses address major societal challenges such as inequality, digital inclusion, climate change, and sustainability.

The Group's business units are also active members of sustainability-focused collaborative networks and local sectoral and economic associations, including:

- Responsible Business Forum (Yettel Serbia)
- Business Council for Sustainable Development in Hungary (Yettel Hungary)
- Partnerships for Prosperity (O2 Slovakia)

In 2023, we conducted a materiality assessment, incorporating the views of stakeholders to determine the sustainability themes material to our operations. These themes serve as the focal areas for our development. Detailed information about the materiality assessment can be found under "Material impacts, risks and opportunities".

We are developing an operating model for stakeholder engagement by defining management processes that enable systematic identification and active engagement of key stakeholders. The model also facilitates the collection and processing of stakeholder feedback, ensuring it is considered in our operational development and decision-making processes.

For more information about our engagement with key stakeholders, please refer to the relevant topical sections.





## Stakeholder groups and dialogue

	CUSTOMERS	EMPLOYEES	INVESTORS, SHARE-HOLDERS AND LENDERS	SUPPLIERS	COMMUNITIES	GOVERNMENT AND REGULATORS
<b>Stakeholder expectations:</b>	Product quality (e.g., design, function, convenience). Service quality (e.g., responsiveness, reliability, consistency). Value for money. Data protection and privacy.	Career security and development. Competitive compensation and benefits. Work-life balance. Respect and fair treatment. Health, safety and wellbeing in the workplace.	Transparent business information. Prompt and accurate disclosures. Good risk and crisis management. Disclosure of ESG policy in business strategy, operations and financial instruments (e.g., response to climate change, sustainable supply chains, monitoring of human rights).	Equal and fair treatment to every supplier, transparent procurement process, long-term relationships, and productive cooperation, shared sustainability values.	Job creation. Partnerships in community development for economic, social and environmental progress. Reduction in adverse social and environmental impacts. Regular communication with local communities.	Continuity of services. Regulatory compliance. Involvement in new public policies, government initiatives, and sharing best practices. Participation in local or national government initiatives.
<b>Engagement approach:</b>	Engagement surveys. Face-to-face contact, social media, telephone interactions, mobile applications, emails to customer contact points.	Engagement surveys, performance appraisals and individual development plans. Internal channels for employee complaints and whistle-blowing. Employee focus groups to promote topics and activities such as health and wellbeing, work-life balance, protection of the environment or creating a team atmosphere.	Regular investor relations events. Meetings and dialogues with financial institutions and bondholders. Regular publications and press releases on PPF Telecom Group website.	Regular meetings, site visits and audits, supplier surveys and other engagement activities.	Regular site visits and meetings with community leaders. Engagement with community members through employment, sourcing and other community development activities.	Meetings with appropriate regulatory bodies and representatives. Participation in industry-wide initiatives.
<b>The Group's initiatives and responses:</b>	Customer service training. Develop new products, services and delivery channels. Perform feedback surveys. Improve cybersecurity and data privacy protection policies, procedures and customer offers.	Uphold code of conduct. Establish human resources policies and procedures in accordance with applicable laws and enforce through regular training. Promote good workplace behaviours, diversity, equality, and inclusion among team members through policies and internal communication. Provide career path development and competitive salary and benefits. Develop and implement talent management programmes. Perform annual employee engagement surveys and performance assessments. Provide channels for employees to safely voice their concerns. Organize corporate social responsibility (CSR) activities to foster social responsibility and build relationships between employees.	Publish annual reports and sustainability reports. Provide transparent and prompt company updates.	Establish a sustainable supply chain. Review and improve procurement processes and communication to meet mutual needs.	Act as a responsible community member. Provide employment and business support locally. Encourage and support local community-related projects, partnerships, CSR programmes and campaigns, including donations and advocacy.	Share best practices and research. Participate in government initiatives as applicable.



# Material impacts, risks and opportunities and their alignment with the Group’s strategy and business model

We have conducted assessments to identify the Group’s significant impacts on the environment and society (impact materiality assessment) and to evaluate the sustainability-related risks and opportunities to which the business is

exposed (financial materiality assessment). The results were aggregated according to the European sustainability reporting standards (ESRS), highlighting E1, E5, S1, S4 and G1 as our most material sustainability issues.

For more information about the alignment of these material impacts, risks, and opportunities with our strategic objectives and business operations, please refer to the relevant topical sections, including “Business strategy link to

sustainability”, “Description of our value chain”. Detailed tables presenting the sustainability-related impacts and risks identified through our comprehensive double materiality assessment process are provided below.

TOPICAL ESRS	MATERIAL TOPIC	MATERIAL SUB- AND SUB-SUB-TOPICS	IMPACTS DESCRIPTION	RISKS AND OPPORTUNITIES DESCRIPTION	VALUE CHAIN	TIME HORIZON
E1	Climate change	Climate change adaptation	NA	The Group’s infrastructure assets, including data centres, are likely to be prone to the effects of changing climate, including extreme weather and rising temperature, and have to be adapted to such conditions.	O	M/L
		Climate change mitigation and energy	The Group’s own operations such as powering of its networks and retail stores, as well as production of mobile devices sold, and network equipment used, consume energy, generating greenhouse gas emissions, changing the composition of the global atmosphere and contributing to climate change.	NA	U/O/D	S/M/L
E5	Circular economy	Waste	Mobile and electronic devices sold, as well as electronic equipment used for the Group’s network infrastructure, require specific materials such as rare minerals, and their extraction leads non-renewable sources depletion and potential habitat destruction. In addition, if electronic and other waste such as plastic and paper generated in company’s own operations and by its customers is not managed, it can cause pollution in water bodies, and soil, deteriorating local ecosystem, and a decline in species populations, affecting ecosystem functions and services.	NA	U/O/D	S/M/L

U – upstream / O – own operations / D – downstream  
 S – short / M – medium / L – long term as defined by ESRS / NA – not available



TOPICAL ESRS	MATERIAL TOPIC	MATERIAL SUB- AND SUB-SUB-TOPICS	IMPACTS DESCRIPTION	RISKS AND OPPORTUNITIES DESCRIPTION	VALUE CHAIN	TIME HORIZON
S1	Own workforce	Working conditions	The Group's policies and practises provide its employees with accessibility to full and productive employment, which delivers a fair income, security in the workplace, social protection for families, and freedom for people to express their concerns, organize and participate in the decisions that affect their lives.	NA	O	S/M/L
		Equal treatment and opportunities for all	The Group's policies and practices promote gender equality and diversity, providing employees with the ability to live free from gender and other inequalities, experience equal opportunities and responsibilities, and to earn equitable pay regardless of gender. Investing in training and development of employees can improve their personal and career development prospects, increase their income, improve their socio-economic position, their overall job satisfaction and sense of professional fulfilment.	NA	O	S/M/L
S4	Consumers and end- users	Social inclusion of consumers and/or end-users and Information-related impacts	The Group's services aim at providing high-quality and affordable connectivity to improve digital inclusion, including digital literacy and affordability, as a crucial part of social inclusion.	NA	O/D	S/M/L
		Personal safety of consumers and/or end-users	The improper management of personal information by the Group, whether due to unauthorized access or breaches of established regulations, could compromise individuals' right to personal privacy and integrity. The Group's policies and procedures are in place to protect the health and safety of end-users and communities by ensuring compliance with legal exposure limits for the effects of electromagnetic radiation.	Security incidents may lead to fines, damaged reputation and loss of customers, and impact negatively , financials performance of the Group.	O/D	S/M/L
G1	Business conduct	Management of relationships with suppliers including payment practices	The Group's supplier management programme aims at mitigating potential environmental and social impacts associated with its supply chain.	NA	U	S/M/L
		Corporate culture / Protection of whistle-blowers / Corruption and bribery	The Group's policies and procedures aim at prevention and occurrence of corruption and bribery event, sufficient whistleblower protection and robust corporate culture to prevent negative on society, economies, and individuals, including clients and employees as failure can erode trust in institutions and undermine the rule of law.	NA	O	S/M/L

U – upstream / O – own operations / D – downstream

S – short / M – medium / L – long term as defined by ESRS / NA – not available



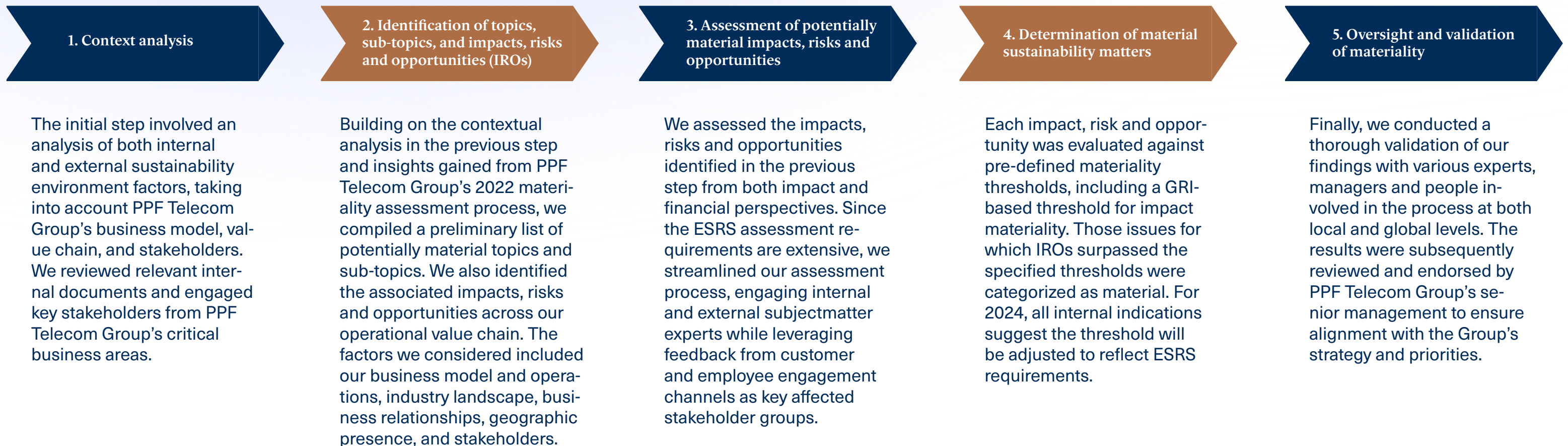
# Description of the Group’s process to identify and assess material impacts, risks and opportunities

In 2023, we undertook preparatory steps to align our materiality assessment with the method, structure and content outlined in the ESRS. Our objective was to classify impacts, risks and opportunities in accordance with the ESRS (topics, sub-topics and sub-sub-topics).

Our materiality assessment of sustainability issues has been updated according to GRI 2021 guidelines and the draft ESRS. However, specific risks and opportunities for 2023 were identified as requiring further analysis. The materiality assessment for 2023 should therefore be viewed as a simplified pilot version inspired by the ESRS. As we continue to refine our analysis in 2024, additional material impacts, risks, and opportunities may be identified and reported.

Our approach began with an impact assessment (inside-out) to evaluate our environmental and societal impacts, building on our previous assessments of sustainability-related impacts across our operations and value chain. Additionally, we conducted a high-level financial assessment (outside-in) to identify the sustainability-related risks inherent to our business. Where feasible, we quantified the effects of these impacts and risks and supplemented them with qualitative assessments.

We undertook a structured, five-step process to evaluate the materiality of sustainability issues:





# Disclosure requirements in ESRS covered by the sustainability statements

The tables below outline the ESRS disclosure requirements in ESRS 2 and the five topical standards deemed material to PPF Telecom Group and which informed the preparation of our sustainability statements. Disclosure requirements from the topical standards E2, E3, E4, S2, and S3 have been excluded since

they fall below our materiality thresholds. The tables serve as a navigational tool to locate specific information for a disclosure requirement in our sustainability statements. If certain disclosure requirements lack relevant information or the associated datapoints are deemed not material, they are indicated by “NA”.

Disclosure requirement	Description	Page
ESRS 2	General disclosures	
BP-1	General basis for preparation of sustainability statements	7
[BP-2]	Disclosures in relation to specific circumstances	7
[GOV-1]	Role of the administrative, management and supervisory bodies	8
[GOV-2]	Information provided to and sustainability matters addressed by administrative, management and supervisory bodies	9
[GOV-3]	Integration of sustainability-related performance in incentive schemes	9
[GOV-4]	Statement on due diligence	10
[GOV-5]	Risk management and internal controls over sustainability reporting	10
[SBM-1]	Strategy, business model and value chain	11

[SBM-2]	Interests and views of stakeholders - general	18
[SBM-3]	Material impacts, risks and opportunities and their interaction with strategy and business model	20
[IRO-1]	Description of process to identify and assess material impacts, risks and opportunities	22
[IRO-2]	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	23
ESRS E1	Climate change	
[GOV-3]	Integration of sustainability-related performance in incentive schemes	35
[SBM-3]	Material impacts, risks and opportunities and their interaction with strategy and business model	32
[IRO-1]	Description of processes to identify and assess material climate-related impacts, risks and opportunities	22, 33
[E1-1]	Transition plan for climate change mitigation	33
[E1-2]	Policies related to climate change mitigation and adaptation	34
[E1-3]	Actions and resources in relation to climate change policies	35
[E1-4]	Targets related to climate change mitigation and adaptation	37
[E1-5]	Energy consumption and mix	38
[E1-6]	Gross Scopes 1, 2, 3 and Total GHG emissions	40

Disclosure requirement	Description	Page
[E1-7]	GHG removals and GHG mitigation projects financed through carbon credits	NA
[E1-8]	Internal carbon pricing	NA
[E1-9]	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	NA
<b>ESRS E5</b>	<b>Circular economy</b>	
[IRO-1]	Description of processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	22, 48
[E5-1]	Policies related to resource use and circular economy	48
[E5-2]	Actions and resources related to resource use and circular economy	49
[E5-3]	Targets related to resource use and circular economy	48
[E5-4]	Resource inflows	NA
[E5-5]	Resource outflows	48
[E5-6]	Potential financial effects from resource use and circular economy-related impacts, risks and opportunities	NA
<b>ESRS S1</b>	<b>Own workforce</b>	
[S1-SBM3]	Material impacts, risks and opportunities and their interaction with strategy and business model	55, 58, 61, 64
[S1-1]	Policies related to own workforce	55, 58, 61
[S1-2]	Processes for engaging with own workers and workers' representatives about impacts	64
[S1-3]	Processes to remediate negative impacts and channels for own workforce to raise concerns	64

[S1-4]	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	56, 59, 62, 64
[S1-5]	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	56, 61
[S1-6]	Characteristics of undertaking's employees	65, 66
[S1-7]	Characteristics of non-employees in undertaking's own workforce	66
[S1-8]	Collective bargaining coverage and social dialogue	64
[S1-9]	Diversity metrics	60
[S1-10]	Adequate wages	NA
[S1-11]	Social protection	65
[S1-12]	Persons with disabilities	65
[S1-13]	Training and skills development metrics	63
[S1-14]	Health and safety metrics	57
[S1-15]	Work-life balance metrics	66
[S1-16]	Remuneration metrics (pay gap and total remuneration) - general	NA
[S1-17]	Incidents, complaints and severe human rights impacts - general	56
<b>ESRS S4</b>	<b>Consumers and end-users</b>	
[S4-SBM3]	Material impacts, risks and opportunities and their interaction with strategy and business model	69, 77, 81





<b>Disclosure requirement</b>	<b>Description</b>	<b>Page</b>
[S4-1]	Policies related to consumers and end-users	69, 77, 81
[S4-2]	Processes for engaging with consumers and end-users about impacts	69, 70
[S4-3]	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	69
[S4-4]	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	71–76, 79, 80, 83, 84
[S4-5]	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (consumers and end-users)	71, 73, 74, 79
<b>ESRS G1</b>	<b>Business conduct</b>	
[GOV-1]	Role of administrative, supervisory and management bodies	8
[IRO-1]	Description of processes to identify and assess material impacts, risks and opportunities	86
[G1-1]	Business conduct policies and corporate culture	87
[G1-2]	Management of relationships with suppliers	89
[G1-3]	Prevention and detection of corruption or bribery	88
[G1-4]	Incidents of corruption or bribery	88
[G1-5]	Political influence and lobbying activities	NA
[G1-6]	Payment practices	NA



The table below includes all of the datapoints that derive from other EU legislation as listed in ESRS 2 appendix B, indicating where the data points can be found in our report and which data points are assessed as 'Not material'.

Disclosure requirement	Data point	Sustainability statements / Appendix	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Location
ESRS 2							
ESRS 2 GOV-1	21 (d)	Board's gender diversity	x		x		NR
ESRS 2 GOV-1	21 (e)	Percentage of board members who are independent			x		8
ESRS 2 GOV-4	30	Statement on due diligence	x				10
ESRS 2 SBM-1	40 (d) i	Involvement in activities related to fossil fuel activities	x	x	x		NR
ESRS 2 SBM-1	40 (d) ii	Involvement in activities related to chemical production	x		x		NR
ESRS 2 SBM-1	40 (d) iii	Involvement in activities related to controversial weapons	x		x		NR
ESRS 2 SBM-1	40 (d) iv	Involvement in activities related to cultivation and production of tobacco			x		NR
ESRS E1							
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050				x	33
ESRS E1-1	16 (g)	Undertakings excluded from Paris-aligned Benchmarks		x	x		NR
ESRS E1-4	34	GHG emissions reduction targets	x	x	x		37
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	x				NR
ESRS E1-5	37	Energy consumption and mix	x				38
ESRS E1-5	40-43	Energy intensity associated with activities in high climate impact sectors	x				NR
ESRS E1-6	44	Gross Scope 1, 2, 3 and Total GHG emissions	x	x	x		40
ESRS E1-6	53-55	Gross GHG emissions intensity	x	x	x		37
ESRS E1-7	56	GHG removals and carbon credits				x	NR
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks			x		NR
ESRS E1-9	66 (a); 66 (c)	Disaggregation of monetary amounts by acute and chronic physical risk; Location of significant assets at material physical risk		x			NS

NR - not relevant, NS - not stated, NM - not material

Disclosure requirement	Data point	Sustainability statements / Appendix	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Location
ESRS E1-9	67 (c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes		x			NR
ESRS E1-9	69	Degree of exposure of the portfolio to climate-related opportunities			x		NR
ESRS E2							
ESRS E2-4	28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation emitted to air, water and soil	x				NM
ESRS E3							
ESRS E3-1	9	Water and marine resources	x				NM
ESRS E3-1	13	Dedicated policy	x				NM
ESRS E3-1	14	Sustainable oceans and seas	x				NM
ESRS E3-4	28 (c)	Total water recycled and reused	x				NM
ESRS E3-4	29	Total water consumption in m3 per net revenue on own operations	x				NM
ESRS E4							
ESRS 2 - SBM 3 - E4	16 (a) i	List of material sites in its own operations, including sites under its operational control	x				NM
ESRS 2 - SBM 3 - E4	16 (b)	Material negative impacts with regards to land degradation, desertification or soil sealing	x				NM
ESRS 2 - SBM 3 - E4	16 (c)	Operations that affect threatened species	x				NM
ESRS E4-2	24 (b)	Sustainable land / agriculture practices or policies	x				NM
ESRS E4-2	24 (c)	Sustainable oceans / seas practices or policies	x				NM
ESRS E4-2	24 (d)	Policies to address deforestation	x				NM
ESRS E5							
ESRS E5-5	37 (d)	Non-recycled waste	x				51
ESRS E5-5	39	Hazardous waste and radioactive waste	x				51
ESRS S1							
ESRS 2 - SBM 3 - S1	14 (f)	Risk of incidents of forced labour	x				NM
ESRS 2 - SBM 3 - S1	14 (g)	Risk of incidents of child labour	x				NM

NR - not relevant, NS - not stated, NM - not material

Disclosure requirement	Data point	Sustainability statements / Appendix	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Location
ESRS S1-1	20	Human rights policy commitments	x				58
ESRS S1-1	21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			x		58
ESRS S1-1	22	Processes and measures for preventing trafficking in human beings	x				NM
ESRS S1-1	23	Workplace accident prevention policy or management system	x				55
ESRS S1-3	32 (c)	Grievance/complaints handling mechanisms	x				58
ESRS S1-14	88 (b) and (c)	Number of fatalities and number and rate of work-related accidents					57
ESRS S1-14	88 (e)	Number of days lost to injuries, accidents, fatalities or illness	x		x		57
ESRS S1-16	97 (a)	Unadjusted gender pay gap	x				NS
ESRS S1-16	97 (b)	Excessive CEO pay ratio	x		x		NS
ESRS S1-17	103 (a)	Incidents of discrimination	x				NR
ESRS S1-17	104 (a)	Non-respect of UNGPs on Business and Human Rights and OECD	x		x		NM
ESRS S2							
ESRS 2 - SBM 3 - S2	11 (b)	Significant risk of child labour or forced labour in the value chain	x				NM
ESRS S2-1	17	Human rights policy commitments					NM
ESRS S2-1	18	Policies related to value chain workers	x				NM
ESRS S2-1	19	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	x		x		NM
ESRS S2-1	19	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			x		NM
ESRS S2-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	x				NM
ESRS S3							
ESRS S3-1	16	Human rights policy commitments	x				NM
ESRS S3-1	17	Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines	x		x		NM

NR - not relevant, NS - not stated, NM - not material



Disclosure requirement	Data point	Sustainability statements / Appendix	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Location
ESRS S3-4	36	Human rights issues and incidents	x				NM
ESRS S4							
ESRS S4-1	16	Policies related to consumers and end-users	x				69, 77, 81
ESRS S4-1	17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	x	x			NR
ESRS S4-4	35	Human rights issues and incidents	x				NR
ESRS G1							
ESRS G1-1	§10 (b)	United Nations Convention against Corruption	x				88
ESRS G1-1	§10 (d)	Protection of whistle-blowers	x				88
ESRS G1-4	§24 (a)	Fines for violation of anti-corruption and anti-bribery laws	x		x		88
ESRS G1-4	§24 (b)	Standards of anti-corruption and anti-bribery	x				88

NR - not relevant, NS - not stated, NM - not material

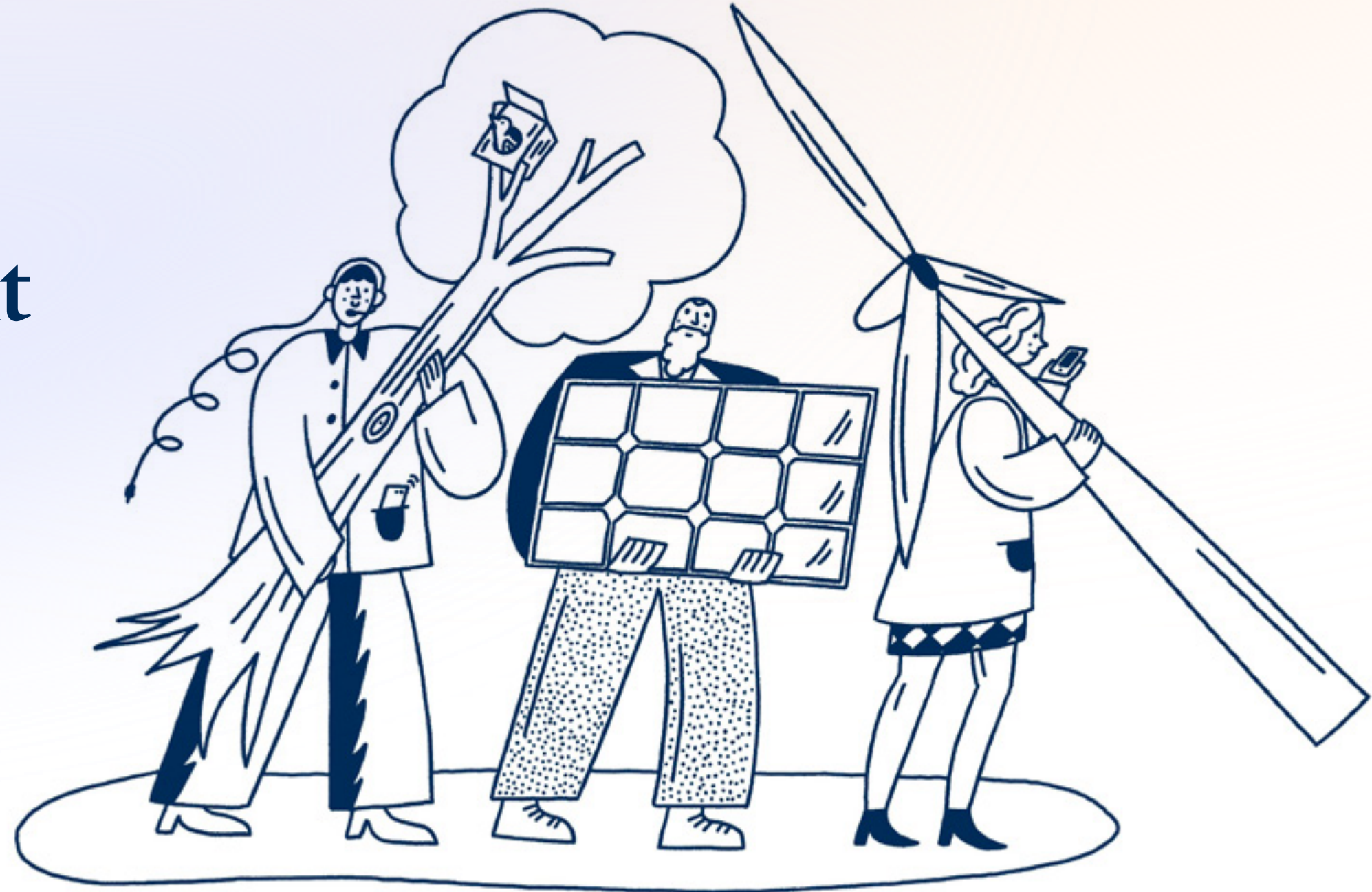
List of not material topic(s)

Disclosure requirement	Description
ESRS E2	Pollution
ESRS E3	Water and marine resources
ESRS E4	Biodiversity and ecosystems
ESRS S2	Workers in the value chain
ESRS S3	Affected communities



# Reducing our environmental footprint

ESRS E1 Climate change





## ESRS E1

# Climate change

Climate change is the most material environmental issue for stakeholders and businesses in the telecommunications sector. Data transmission, network connectivity, and server data storage have substantial energy requirements. With the expansion of 5G technology and increased data traffic, the energy demands of telecommunications networks continue to grow. Greenhouse gas emissions are also generated by other operations, such as transportation, or indirectly across the value chain, including by customers who use our products and services.

Our commitment extends beyond reducing our impact on climate. We are addressing growing climate-related risks, such as temperature fluctuations and extreme weather conditions, by implementing measures to safeguard the future of our business operations.

Our key areas of focus include:

### Climate change mitigation and energy

- Minimise our environmental footprint across the entire value chain by increasing energy efficiency, achieving energy savings, sourcing renewable energy, and managing input materials and waste effectively.

### Climate change adaptation

- Develop comprehensive climate risk analysis and resilience plans to reduce the risks associated with climate change.

Our environmental objectives of reducing environmental impacts and managing climate risks are therefore fully aligned with our corporate strategy and stakeholder expectations, with a focus on transparent disclosure of our actions.





# Climate change mitigation and adaptation

## Why it matters

The telecommunications sector sits downstream of the electronics production supply chain and is in direct contact with customers. Every stage of this chain—ranging from raw material extraction, manufacturing, storage and distribution to use and waste management—has a significant environmental impact.

Telecommunications rely on various hardware components such as computers, cooling systems, transceivers, terminals, phones and modems, all which require electrical

power. Key activities, including data centre management, infrastructure deployment and network operations, contribute to direct environmental impacts, primarily through energy consumption and associated greenhouse gas (GHG) emissions from electricity generation. Operational aspects such as office management, transportation and building maintenance also contribute to our environmental footprint. Indirect environmental impacts are linked to both the production and end-use of the products and services we provide.

PPF Telecom Group’s operations demand substantial amounts of energy. As data transmission and storage through our networks (mobile and fixed) continue to increase, so do our energy needs. While 5G technology is expected to significantly boost mobile traffic, it is also designed to be more energy-efficient than predecessor technology, particularly in terms of the traffic-to-energy consumption ratio. 5G and related technologies allow greater control over network performance, and consequently, energy consumption. However, the densification of 5G networks, with more base stations, frequencies, and devices connected, is expected to increase overall energy consumption.

Currently, the majority of the electricity we use is sourced from national grids, which are still heavily reliant on non-renewable energy sources, leading to higher greenhouse gas emissions compared to renewable alternatives. As a result, the Group’s Scope 1 and 2 emissions predominantly arise from the fuel and energy consumption needed to power our infrastructure. Indirect emissions (Scope 3), which are outside our direct control, represent 77% of our total carbon footprint, with the most significant contributors being categories purchased goods and services, capital goods, and the use of sold products.

The telecommunications sector faces numerous climate-related risks that can impact both its infrastructure and operations. These risks include extreme weather events, such as

high winds and heavy rainfall, which can lead to power outages, as well as temperature fluctuations and extreme heat that challenge the operation of data centres. Additionally, the sector is vulnerable to disruptions in global supply chains. To identify both physical and transition climate risks, we rely on third-party platforms, industry reports, and guidelines from organizations like GSMA.

Ultimately, the objective of our climate change mitigation strategy is to reduce our carbon footprint and minimise risks to our operations.

Activity	Assets	Main environmental aspects
Telecommunications infrastructure and networks	Buildings, nodes, links, terminals, software, antennas, baseband units, microwaves, servers, switches	GHG emissions due to electricity consumption. Fuel consumption due to transportation. Generation of e-waste.
Data centres	Buildings, ICT equipment, software, HVAC (heating, ventilation, and air conditioning)	GHG emissions due to electricity consumption. Generation of e-waste.
Retail stores	Buildings, software	GHG emissions due to electricity consumption. Fuel consumption due to transportation. Generation of e-waste.
End-user devices	Electronic devices, software	GHG emissions due to electricity consumption. Generation of e-waste.





## Our approach

### Transition plan

We are currently developing our Climate Transition Plan (CTP), which will be based on an analysis of our material climate-related risks and opportunities. This includes both transition risks (e.g., policy, technological, market and reputational risks) and physical risks (e.g., acute and chronic), as well as opportunities related to climate change, such as improving energy efficiency, adapting to market shifts, and meeting evolving customer expectations.

The CTP will detail our objectives, strategy (with specific actions to be taken in the short, medium and long terms) and governance framework for:

1. Reducing Scope 1, 2 and 3 emissions in alignment with SBTi goals, which are designed to meet the target of limiting global warming to 1.5 °C above pre-industrial levels.
2. Managing climate-related risks and opportunities to enhance the resilience of our business in the face of climate challenges.

As part of our CTP preparation, we have identified several key levers to achieve our interim target of reducing Scope 1 and 2 emissions by at least 42% by 2030 (compared to 2022) and reaching carbon neutrality by 2050:

#### Decarbonising our own operations (Scope 1 and 2 emissions)

##### Improving energy efficiency

We will focus on optimising energy consumption across our networks and other operational assets. This will help mitigate the impact of rising energy costs and future price volatility. We

are also exploring opportunities under network-sharing agreements to improve efficiency.

##### Sourcing clean energy

We plan to purchase electricity from renewable sources through certificates, and, where feasible, prioritise direct procurement from renewable generators through Power Purchase Agreements (PPAs).

##### On-site renewable generation

We are investing in on-site renewable electricity generation and power storage, for example installing photovoltaic systems at our data centres, to reduce our reliance on fossil fuels.

While our ultimate objective is to contribute to an economy-wide transition from fossil fuels to renewable energy, we recognise the need to balance these actions with the expectations of our key stakeholders, such as customers. It is essential that our efforts do not compromise the safety, reliability and quality of services they expect from us.

#### Decarbonising our value chain (Scope 3 emissions)

##### Supply chain decarbonisation

This area presents a significant challenge, as procurement activities account for 84% of our Scope 3 emissions and 65% of our total emissions. Our goal is to develop a robust approach to supplier engagement and procurement of electronic devices-including network equipment and the products we offer to customers-that incorporates product carbon footprint criteria for both upstream and downstream activities.

##### Supplier data collection

We are gathering carbon footprint data from suppliers to better differentiate the products in our portfolio based on their environmental impact.

#### Managing climate-related risks

The Group has also initiated a high-level quantitative analysis of physical climate risks to assess potential damage from the adverse effects of climate change on our assets (exposure) and their potential financial implications (vulnerability). This assessment includes a comprehensive examination of key network infrastructure, data centres, warehouses, retail locations and offices across the five countries in which we operate. Using an external tool, we have modelled three Representative Concentration Pathways (RPC) climate scenarios, RCP2.6, RCP 4.5 and RCP 8.5\*, to project future greenhouse gas concentrations according to the Intergovernmental Panel on Climate Change (IPCC). We have evaluated ten major climate risk hazards—further broken down into 51 partial and 81 climate risk indicators—for medium-term (2025–2030) and long-term (2030–2050) time horizons.

While the results vary depending on asset type and location, the main hazards identified were drought, extreme weather, fire, flood, and rising heat and temperatures.

In parallel, we conducted a high-level qualitative analysis to assess transition risks arising from external pressures to shift towards a low-carbon economy due to regulatory or market changes, all which could impact costs, revenue or market share. Key risks identified include:

- Rising energy prices: Driven by carbon pricing mechanisms such as the Emissions Trading System (ETS) and new carbon regulations.
- Stakeholder pressure: Increased scrutiny on our environmental performance.
- Third-party dependency: External factors that may affect our ability to meet carbon reduction targets.

Our financial planning process now increasingly considers climate-related risks and opportunities, such as energy efficiency and the potential to reduce our carbon footprint, when allocating capital for operations and purchasing new or replacement equipment. As we continue to prepare our Climate Transition Plan (CTP), we will build on our climate scenario analysis and take further steps to improve our resilience and implement mitigation measures for the key climate-related risks identified.

Senior managers of PPF Telecom Group are responsible for overseeing the company's climate change strategy, including the establishment and monitoring of targets. Climate-related topics and progress towards these targets are regularly discussed and reviewed during board meetings.

\*RCP 2.6: greenhouse gas (GHG) emissions are reduced, leading to an estimated global average temperature rise below 2 °C by 2100 compared to pre-industrial levels.  
RCP 4.5: GHG emissions stabilise, resulting in an estimated global average temperature rise between 2 °C and 3 °C by 2100 compared to pre-industrial levels.  
RCP 8.5: GHG emissions continue to grow, resulting in an estimated global average temperature rise above 4 °C by 2100 compared to pre-industrial levels.



## Policies

As PPF Telecom Group is a holding company, its operating entities, CETIN, O2 and Yettel, have established their own environmental policies and internal guidelines. These policies include commitments to environmental protection, pollution prevention, improvement of practices, compliance with environmental regulations, and employee training and engagement with partners on environmental issues.

The Group actively explores opportunities to improve energy efficiency and responsibility. Recognising its significant role in managing the environmental impact of its operations, products and services, the Group has implemented a standardisation process. All business units that have been operating for more than 12 months hold ISO 14001 certification, which are externally audited. Additionally, CETIN Czechia, CETIN Hungary and O2 Czech Republic hold ISO 50001 certification, also subject to external audits.



*Yettel Hungary office building, equipped with environmentally-friendly and energy efficient technologies*



## Actions

At PPF Telecom Group, we have implemented several initiatives to minimise our environmental impact and strengthen our resilience to climate change. The costs associated with these actions are integrated into our regular business operations and are not tracked separately.

### Calculating and reporting emissions

Since 2022, we have been mapping our greenhouse gas (GHG) emissions inventory to improve our ability to measure and track energy consumption and emissions across all operations. For more details, please refer to the section on GHG emissions.

In August 2022, PPF Telecom Group made a public commitment to set greenhouse gas reduction targets in line with the Science Based Targets Initiative (SBTi). We are on track to submit these targets by August 2024.

The Group also discloses climate-related information through the CDP (Carbon Disclosure Project) and received a “B” rating for 2023.

### Energy Efficiency Programme

CETIN Group currently represents 90% of PPF Telecom Group’s total energy consumption, with energy costs accounting for 26% of CETIN’s operational expenses. In 2023, we set an electricity consumption reduction target for CETIN, aiming to achieve at least 30 GWh in annual savings by 2025 compared to 2021 levels. These savings would also

help reduce carbon costs associated with purchasing non-renewable energy.

Under the Energy Efficiency Programme, CETIN delivered approximately 17.4 GWh in annual electricity savings by 31 December 2023-equivalent to a 3.3% reduction in total electricity energy consumption. These savings were achieved through initiatives such as smart cooling systems, power-saving features in our Radio Access Networks (RAN), and the replacement of older technologies with more energy-efficient alternatives. Each initiative is led by designated leaders and country coordinators to ensure effective implementation. The financial department reviews performance against targets quarterly, with results assessed by CETIN Group.

#### The programme includes

##### *Network equipment modernisation*

Replacing and upgrading network equipment such as antennas, RANs, active and passive equipment, repeaters, small cell solutions, microwave towers, fibre optic infrastructure, batteries, IP transport equipment, power supply units, cooling systems, conduits and core network hardware to increase efficiency across our network sites.

##### *5G infrastructure expansion*

Upgrading outdated infrastructure and expanding 5G networks, including RANs, transmission access, transport backbone systems, passive infrastructure, core networks, and intellectual property. Although 5G may increase energy demand, these

upgrades are expected to deliver greater energy efficiency in data transmission and enhance operational efficiency across a range of industries and operations downstream from the network provider.

##### *Network-sharing agreements*

CETIN’s operating units in Czechia and Hungary have implemented multi-operator radio access, enabling mobile networks to be used by more than one commercial operator. This reduces energy consumption by optimising the use of shared infrastructure.

##### *Fibre network transformation*

Upgrading to fibre-based networks (e.g., FTTH, FTTB, FTTC) to replace copper-based systems, significantly reducing energy use in our operations.

##### *Software and automation*

Minimising power consumption through server virtualisation, remote management applications, and power-saving features enabled by machine learning and AI technologies.

##### *Sustainable network solutions*

Offering clients Software-Defined Wide Area Network (SD-WAN) solutions, which help reduce hardware requirements and power consumption by replacing outdated firewalls, routers and WAN optimisation devices with more efficient systems.

##### *Efficient cooling solutions*

Optimising cooling systems at RAN sites and data centres, and transitioning site

layouts from indoor to outdoor configurations to improve energy efficiency.

Energy savings represent a critical decarbonisation lever for the PPF Telecom Group, as Scope 1 and 2 emissions account for 23% of our total greenhouse gas emissions, with CETIN’s network operations contributing 81% of these emissions. To address this, we have developed key performance indicators (KPIs) focused on emission reductions through energy savings at CETIN. Furthermore, the CETIN CEO’s incentive is directly linked to achieving these KPIs. As a member of the board, the CEO is responsible for overseeing decarbonisation efforts, particularly energy efficiency initiatives and renewable energy sourcing, including PPAs. The CEO also works closely with the Group’s Sustainability Steering Committee to drive the development and achievement of these goals.



### Renewable energy

Gradually increasing the share of renewable energy in our overall energy mix is one of the key pillars of our decarbonization strategy. Our approach focuses on both the procurement of energy from renewable sources and the on-site generation of renewable electricity, aiming at significantly reducing our carbon footprint while enhancing our energy independence and resilience.

- *Electricity from renewable sources:* We are committed to purchasing electricity from renewable sources, prioritising direct procurement from renewable generators through PPAs, wherever feasible. As of January 1, 2022, all electricity used to power our network in Serbia is exclusively sourced from green-certified renewable energy, specifically from the Djerdap I hydroelectric power plant (also known as Iron Gates I). In 2023, the Group signed a ten-year PPA with Electrohold Bulgaria, effective from September 2023, which enables the Group to source electricity in Bulgaria from a newly constructed solar plant. This agreement covers the majority of energy consumption for both Yettel and CETIN Bulgaria.
- *On-site renewable electricity generation:* We are installing on-site renewable electricity generation and power storage solutions, including photovoltaic systems at data centres, towers and mobile base stations, to further reduce our dependence on fossil fuels.

These initiatives will increase the Group's renewable energy share to approximately 25% of its total energy consumption by the end of 2024.

### Supply chain management

We are developing a comprehensive supply chain engagement plan to address Scope 3 emissions. The initiatives outlined in the plan will involve collecting data on the carbon footprint of purchased products, integrating CO2 emissions into our procurement criteria, and adapting our portfolio based on the carbon intensity of the products.



*Bulgaria's biggest solar power plant Verila supplying electricity to CETIN and Yettel*



## Setting science-based targets

The Group is in the process of setting interim science-based targets aligned with limiting global warming to 1.5 °C, as specified by the SBTi. These targets aim to reduce combined GHG Scope 1 (tCO<sub>2</sub>) and GHG Scope 2 market-based emissions (tCO<sub>2</sub>) by at least 42%, and Scope 3 (tCO<sub>2</sub>) emissions by 25% by 2030, compared to 2022 as the baseline year. This baseline reflects our year of commitment to the SBTi. The submission for validation is scheduled for August 2024.

Our long-term goal is to reach carbon neutrality by 2050, in alignment with the Paris Agreement.

The decarbonisation levers are outlined in the Transition Plan section and are based on the use of existing technologies.

## Our performance against key targets

In 2023, the Group consumed 593,802 MWh of energy (covering Scope 1 and 2, as defined by the GHG protocol), mainly electricity used to power networks, data centres and retail shops. Despite business growth, energy consumption increased only slightly by 1.5% compared to 2022.

**Energy intensity per unit of data traffic** is a key metric, given the rising demand for data transmission through our networks, especially in the context of 5G rollout. In 2023, the volume of data transmitted increased by 35% compared to 2022, while energy consumption rose by only by 1.5%, representing a decline of 25% in energy intensity per unit of data traffic to 66.1 kWh/TB.

**Energy intensity per unit of revenue** decreased by nearly 6% to 157 MWh/EUR million in 2023, reflecting slower growth in energy consumption and almost 8% revenue growth.

Our total greenhouse gas emissions decreased by 7%, from 1,120,042 tCO<sub>2</sub>e in 2022 to 1,040,167 tCO<sub>2</sub>e in 2023, primarily due to a decline in Scope 3 emissions.

The Group's Scope 1 and 2 emissions for 2023 totalled 242,290 tCO<sub>2</sub>e, a 3% decrease from 2022, equivalent to about 7% of the expected target. This reduction was driven by greater use of renewable energy, ongoing optimisation of technological spaces, and efficiency measures applied across all CETIN entities.

In 2023, Scope 3 emissions decreased by more than 8%. This reduction was driven by a decrease in purchased goods and services but mainly a decline in energy intensive customer devices sold, leading to lower emissions from the use of the products we sell. However, the reduction was partially offset by increased

emissions resulting from investments into the modernisation of our network infrastructure.

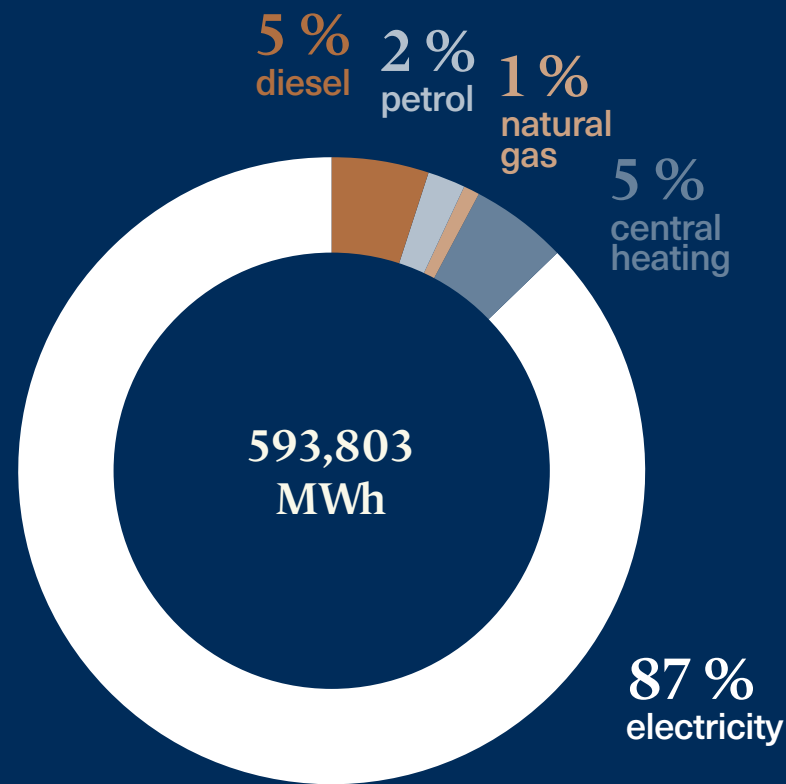
Our retail business units (O2 and Yettel) and infrastructure providers (CETIN) contribute roughly equally to the Group's Scope 1, 2 and 3 emissions, though the sources differ. Retail emissions mainly stem from the purchase and use of customer devices, while infrastructure providers' emissions are primarily linked to electricity consumption and indirect emissions from network modernisation and 5G rollout, including the purchase of network equipment.

Emissions per unit of revenue decreased by 14% compared to 2022, while emissions per unit of data traffic dropped by 31%, despite higher traffic volumes. An increased use of renewable energy and energy efficiency contributed to the result.



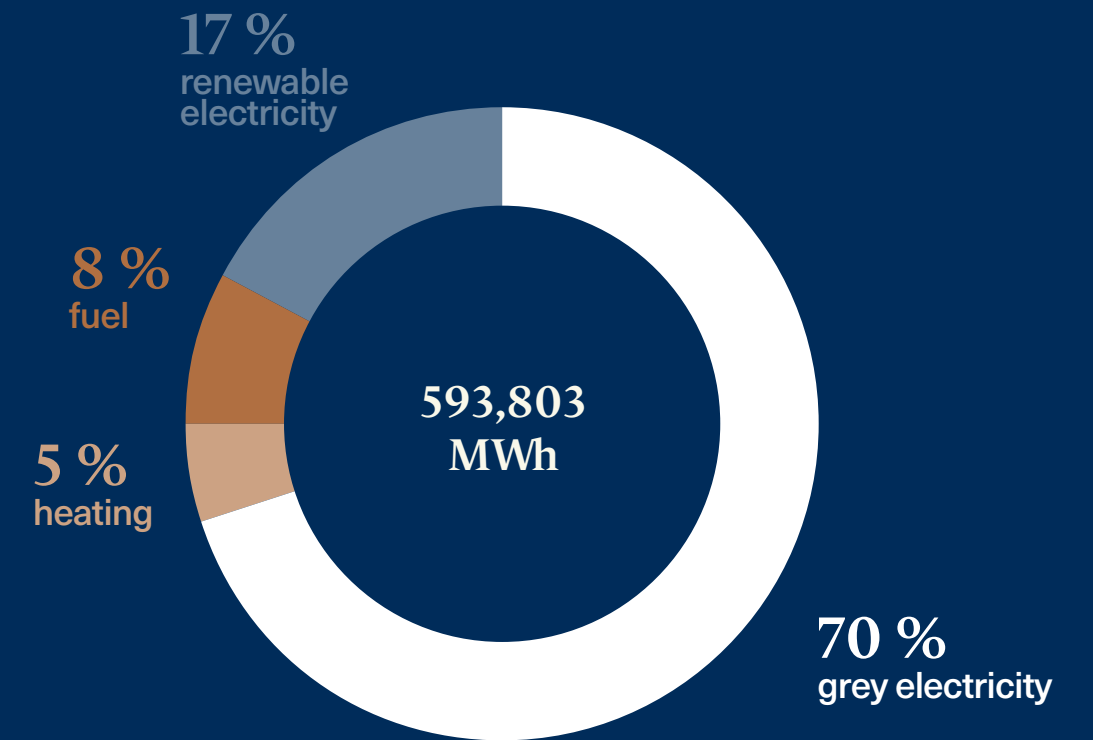
### Energy consumption by fuel source

Fuel sources (in kWh)	2023
Diesel	32,137,167
Petrol	13,072,847
Natural gas	2,261,871
Central heating	30,641,232
Electricity	515,574,857
LPG	114,741
<b>Total</b>	<b>593,802,715</b>



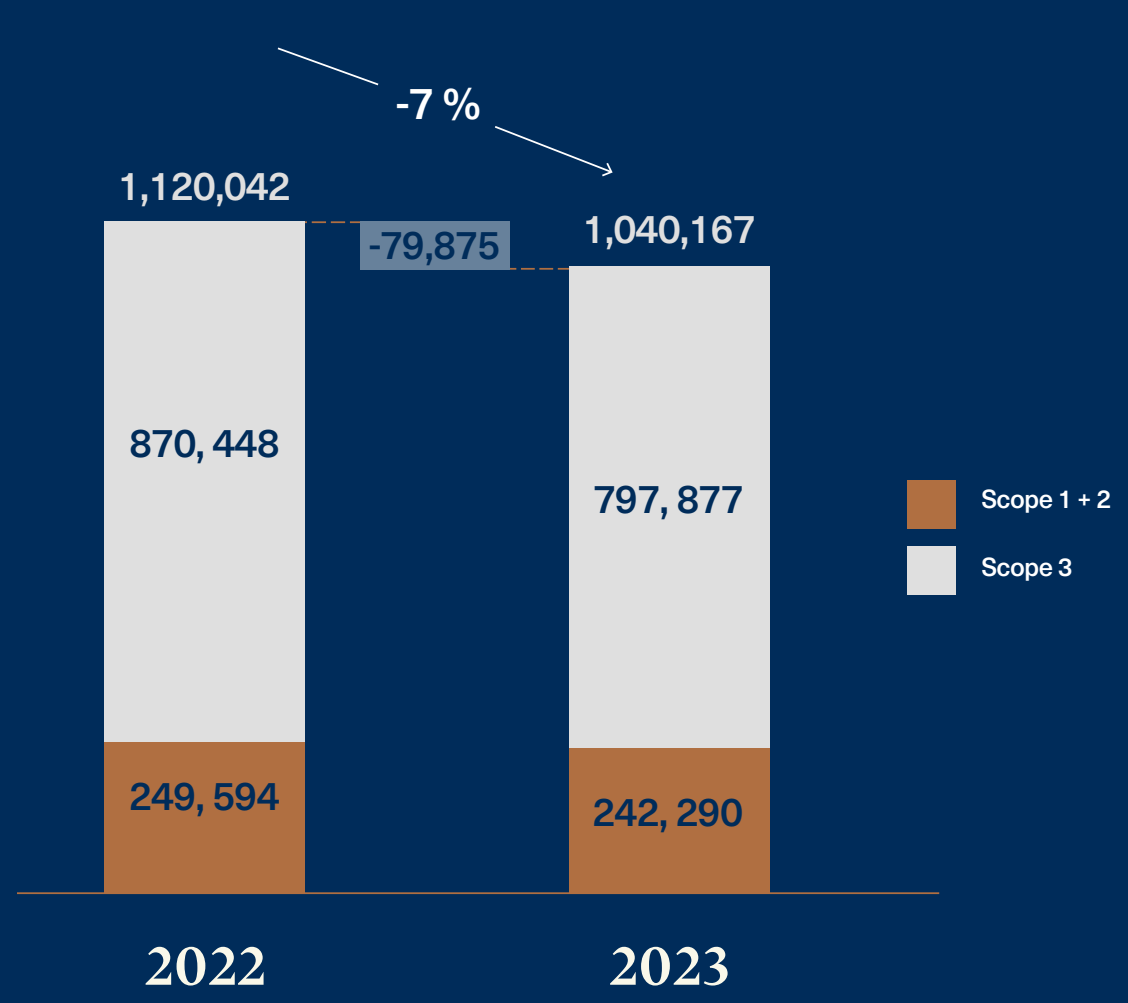
### Energy consumption by type

Energy Consumption (in kWh)	2023
Grey electricity	413,425,778
Heating	30,641,232
Fuel	47,586,626
Renewable electricity	102,149,078
<b>Total</b>	<b>593,802,715</b>

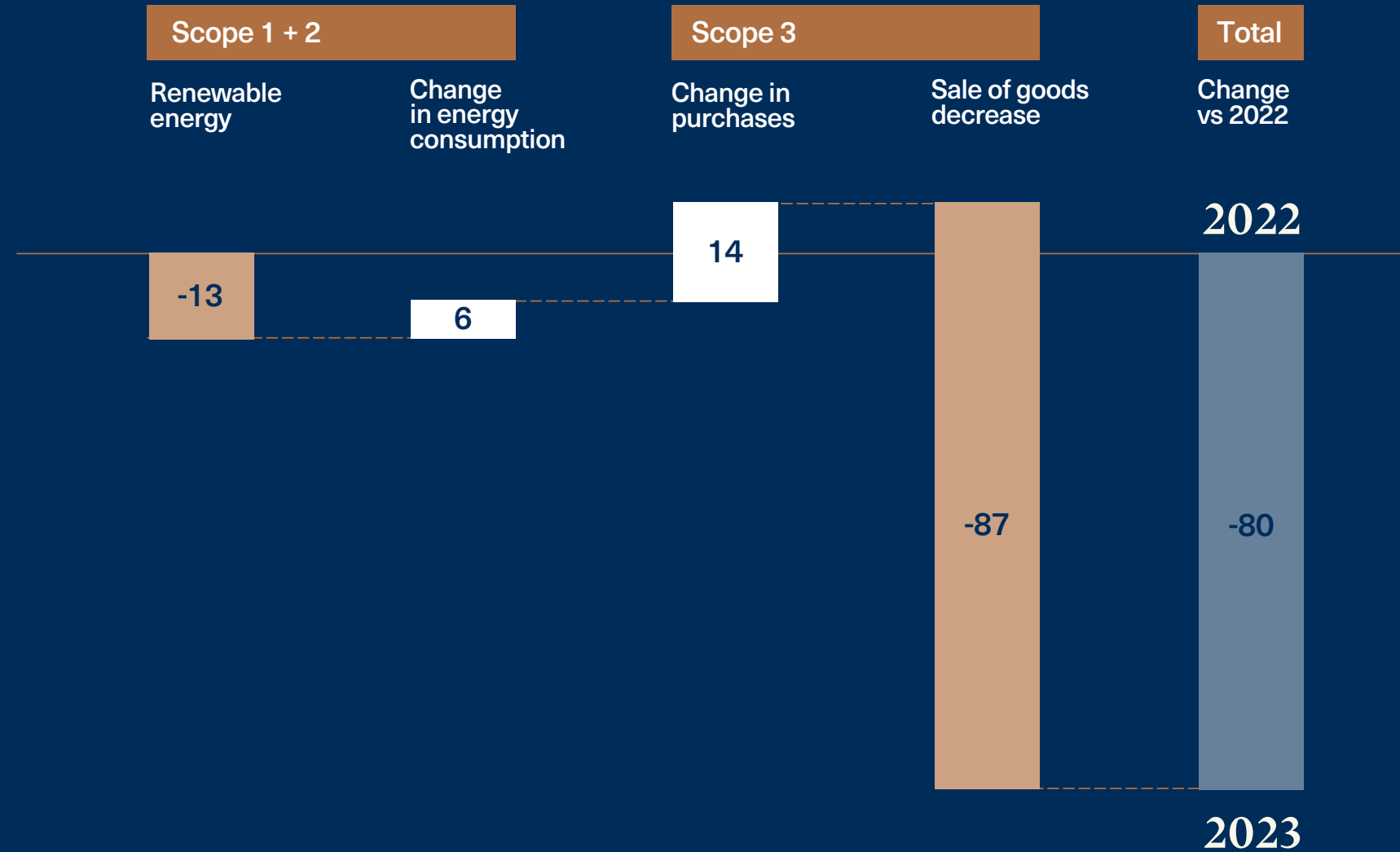




### GHG emissions trend (tCO2e)



### Key drivers (in thousand tonnes of tCO2e)



**Scope 1+2**

Renewable energy – primarily use of renewable energy at CETIN Bulgaria  
 Change in energy consumption – primarily increase of energy consumption at CETIN (5G rollout and increase in network traffic)

**Scope 3**

CAPEX changes – purchases of electronic equipment for 5G networks, higher in 2023 compared to 2022, growing share of less emission-intensive manufacturers, particularly in Serbia, rise in renewable energy purchases contributing to lower fuel-related emissions. Decrease in the sales of IPTV devices (set-top boxes) in Czechia compared to 2022 and growing share of more energy-efficient mobile handsets in Serbia, leading to a substantial reduction in emissions from the use of sold products.



## PPF Telecom Group GHG emissions inventory 2023

### GHG Emissions (in thousand tonnes CO2e)

<b>Scope 1</b>	<b>13</b>	<b>1 %</b>
<b>Scope 2</b>	<b>230</b>	<b>22 %</b>
<b>Scope 3</b>	<b>798</b>	<b>77 %</b>
Purchased goods and services	341	33 %
Capital goods	197	19 %
Fuel- and energy-related activities	94	9 %
Employee commuting	8	1 %
Upstream leased assets (as lessee)	24	2 %
Use of sold products	110	11 %
Downstream leased assets (as lessor)	13	1 %
Other (Upstream transportation and distribution, Waste generated in operations, Business travel, Downstream transportation and distribution, End-of-life treatment of sold products, Franchises, Investments)		1 %
<b>Total GHG emissions</b>	<b>1,040</b>	<b>100 %</b>

### Scope 1 – Direct

These are emissions within our direct control and include those from:

- fuel used by cars owned or leased by our company
- heating fuels used for space heating and hot water in our premises
- fuels used for generators in off-grid areas or where back-up capacity is required and in Data centers in case of power outages
- fugitive releases of refrigerants or fire suppressants used for air-conditioning or fire control systems in network buildings and offices

When calculating GHG emissions from fuel sources, emissions factors from the GHG Protocol Mobile Sources and Cross-Sectoral tools have been used

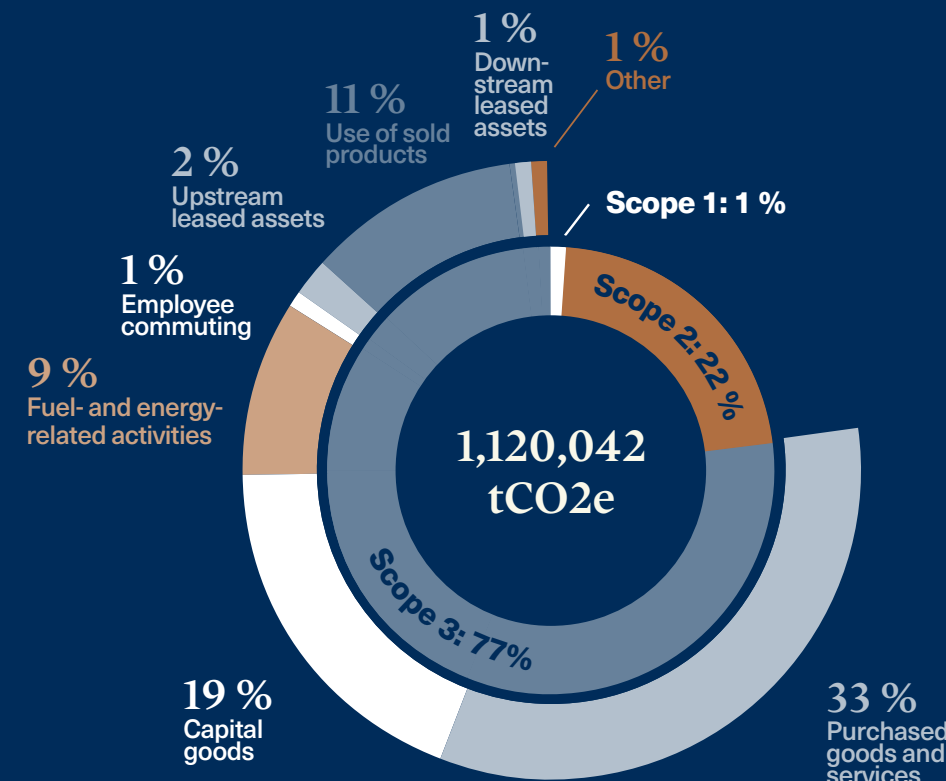
### Scope 2 – Purchased

These are emissions from electricity and heat purchased to power the Group's networks, technology centres, offices and retail stores, including CETIN infrastructure that is operated on 3rd party premises ("passive sharing").

It excludes the opposite – space rented by CETINs to other parties, where they operate their own equipment and get re-invoiced for their electricity use. We have calculated these emissions using the two approaches of the GHG Protocol:

- Location-based: representing the market-average grid mix and thus average emissions in a country. We use kWh to CO2e conversion factors from the International Energy Agency (IEA).
- Market-based: representing emissions where green energy is also used by the Group. We use conversion factors from the Association of Issuing Bodies (AIB).

Market based emissions factors are for the year 2022 and location based emission factors for the year 2021 – latest available at the time of writing / calculation.



### Scope 3 – Purchased

These are indirect emissions that we do not control but may be able to influence, including:

- emissions from our suppliers in producing the goods and services that we procure
- emissions from network leasing ("active sharing")
- emissions linked to the use of our products and services that we sell or lease to our customers
- upstream emissions of purchased fuels, electricity, heat and steam including losses in transportation and distribution
- emissions from our data centre business (technology housing), where electricity use is part of the service for customers and is not re-invoiced.

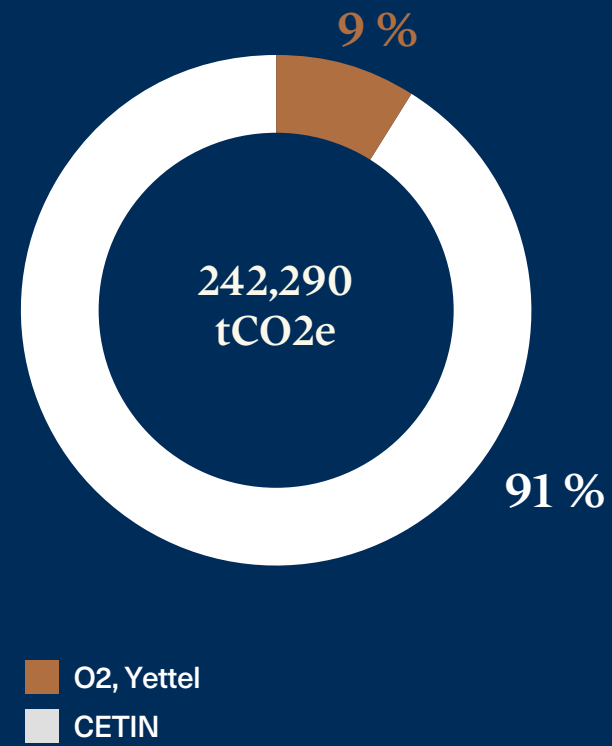
We use a spend-based calculation approach on an inflation-adjusted basis, attributing sector-average emissions to the country of procurement.

In 2022, we conducted preliminary research to identify the country of manufacturing for the Group's key spending categories (devices, network infrastructure), incl. refining the assessment for device resellers.

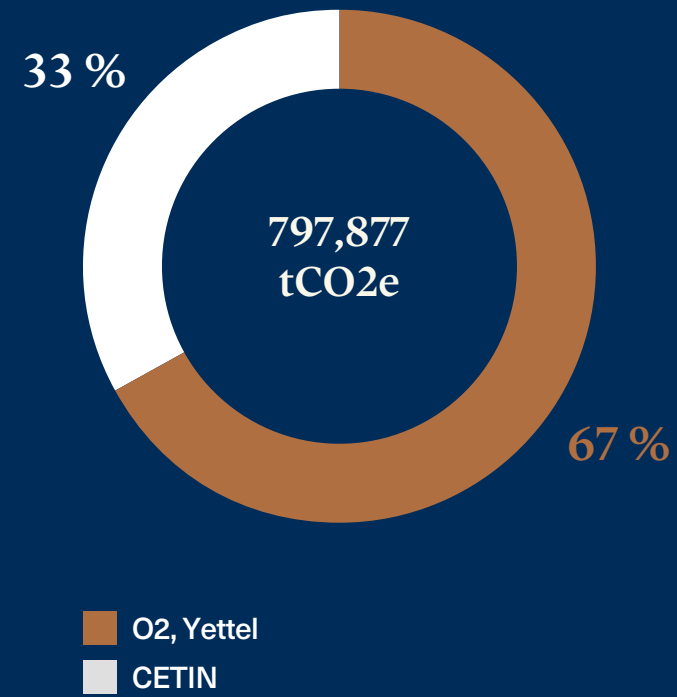




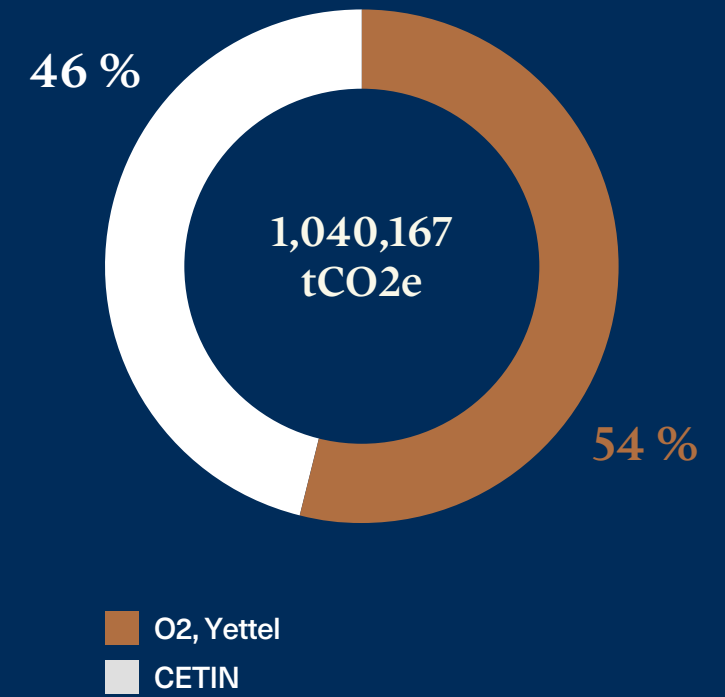
**Direct emissions 2023**  
(scope 1 + 2)



**Indirect emissions 2023**  
(scope 3)



**Total emissions 2023**  
(scope 1 + 2 + 3)





## Methodologies and assumptions

In calculating emissions, we have used the GHG Protocol (source: <https://ghgprotocol.org/standards-guidance>), a globally recognized standard for measuring and managing greenhouse gas emissions. Our GHG emissions were measured in accordance with the GHG Protocol Corporate Standard and the GHG Protocol Corporate Value Chain (Scope 3) Standard to ensure comprehensive reporting of direct, indirect, and value chain emissions.

### Scope 1 – Direct emissions

Emissions that are under our direct control, including those from:

- *Stationary Combustion:* Emissions from the combustion of fuels in stationary sources.
- *Mobile Combustion:* Emissions from the combustion of fuels in vehicles owned or controlled by the company.
- *Fugitive Emissions:* Emissions resulting from refrigerant leakage or the direct release of greenhouse gases.

### Scope 2 – Emissions from purchased energy

Indirect emissions from the generation of purchased electricity, steam and heating for consumption in the Group’s networks, technology centres, offices and retail stores. This includes CETIN infrastructure operated on third-party premises (referred to as “passive sharing”).

It excludes emissions from spaces rented by CETIN to other operators, where they operate their own equipment and are invoiced

separately for their electricity consumption. We calculate these emissions using two approaches, in line with the GHG Protocol:

- *Location-based:* Reflects the market-average emissions from the grid mix and thus the average emissions of the specified country. We use kWh to CO2e conversion factors provided by the Association of Issuing Bodies (AIB), Production mix.
- *Market-based:* Reflects emissions based on the use of green energy by the Group. For this, we use the conversion factors supplied by the Association of Issuing Bodies (AIB), Residual Mixes.

Emission factors are based on data from 2022, the latest available at the time of this report.

### Scope 3 – Indirect emissions

These are emissions outside our direct control but which we may be able to influence through our business operations. They are divided into upstream and downstream emissions:

*Upstream emissions:* Indirect emissions from activities in the value chain related to purchased goods and services:

- Goods and services: Embedded emissions in purchased goods and services.
- Capital goods: Embedded emissions in capital goods such as buildings, vehicles, ICT equipment, and machinery.
- Energy supply: Embedded emissions from the procurement of fuels and

energy in other activity categories.

- Transport upstream: Emissions due to the transport of goods before they reach our facilities or any transport services purchased by the company.
- Waste: Emissions from the disposal and processing of waste generated in our operations.
- Business travel: Emissions from the travel of employees for business purposes.
- Commuting: Emissions from employees commuting in vehicles not owned or controlled by the company.
- Leased assets (as the Lessee): Emissions resulting from the operation of assets leased by the reporting company.

*Downstream emissions:* Indirect emissions from activities in the value chain related to the use and disposal of the goods and services we sell:

- Transport downstream: Emissions from the transport of goods downstream after production not paid for by the company.
- Use of products: Emissions linked to the energy consumption of products during their intended lifetimes.
- End-of-life of products: Emissions from the disposal of products at the end of their lifecycles.
- Processing of products: Emissions from the further processing of products we sell.
- Leased assets (as the Lessor): Emissions resulting from the operation of assets owned by the reporting company but leased to others.
- Investments: Emissions resulting

from the operation of investments made by the company.

- Franchises: Emissions linked to franchise operations



### Scope 3 breakdown: Categories and calculation methodology

<b>GHG Protocol category</b>	<b>What does this mean for PPF TG?</b>	<b>2022 emissions (tonnes CO2e)</b>	<b>2023 Emissions (tonnes CO2e)</b>	<b>Methodology</b>	<b>Ability to influence</b>
Purchased goods & services	Emissions related to manufacturing devices and utilized services purchased from 3rd party suppliers.	349,080	340,935	Calculated using spend-based Exiobase emissions factors but if available actual emissions declared by suppliers, covering the full goods and services purchase volume for each PPF TG subsidiary, differentiating by sector of purchase. Calculations include operational expenditure accounted for in the year when fulfilment of purchases are made. EFs are with a 2021 base year, thus inflation adjustment is applied, using data from the World Bank. Ecoinvent 3.10 was used for the entries related to weight, where available, while ADEME Base Carbone 2022 v22.0 was applied for water consumption in cubic meters (m <sup>3</sup> ).	Medium, depending on the supplier
Capital goods	Emissions related to manufacturing IT and network equipment, construction works and materials purchased from 3rd party suppliers.	174,906	196,719	Calculated using spend-based Exiobase emissions factors but if available actual emissions declared by suppliers, covering the full capital goods purchase volume for each PPF TG subsidiary, differentiating by sector of purchase. Calculations include capital expenditure (capital goods) accounted for in the year when fulfilment of purchases are made. EFs are with a 2021 base year, thus inflation adjustment is applied, using data from the World Bank.	Medium, depending on the supplier
Fuel and energy-related activities	Upstream emissions from the extraction, production, and transportation of fuels purchased by PPF TG subsidiaries not otherwise included in Scope 1, plus upstream emissions for refrigerants. Transmission & distribution losses for electricity purchases in Scope 2	96,767	93,654	Upstream emissions of purchased fuels, electricity, heat and steam and refrigerants calculated as multiplication of proportional rates set out by IEA with AIB residual mix emission factors for 2022 or specific emission factors for renewable energy for purchased electricity. Electricity T&D losses represent emissions of electricity lost in transmission and distribution network. . For purchased fuels, refrigerant, heat and steam the emission factors from UK.gov GHG Reporting Factors v2023 are applied.	High, directly proportional to level of control for Scopes 1 and 2
Upstream transportation and distribution	Emissions related to purchased transport and distribution of purchased goods & services from suppliers to PPF TG subsidiaries	1,981	2,253	Calculated where data is available separately in invoices from customers (spend-based calculation) representing approximately 34% or where this is reported separately by TG suppliers (supplier-specific calculation) representing approximately 66%. Where data is not available separately in invoices from customers, emissions are accounted under Categories Purchased goods & services and Capital goods using the spend-based method (which includes also upstream transport).	Medium, depending on the supplier
Waste generated in operations	Disposal and treatment of waste generated by activities of PPF TG subsidiaries.	2,616	5,208	Calculated via ADEME Base Carbone 2022 emissions factors for waste, applied to known physical volumes of waste reported.	High
Business travel	Emissions related to transportation of employees for business-related activities.	509	1,022	Calculated multiplying total spend for business travel using spend-based Exiobase emissions factors. Hotel stays and business travels by distance are factored in where data is available using UK.gov GHG Reporting Factors v2020, 2021 and 2023.	Low
Employee commuting	Emissions related to commutes of employees in vehicles not under control of the company.	7,193	7,576	Calculated using days employee travel to work or are working remotely, European statistics for average commuting emissions and UK.gov GHG Reporting Factors emission factors for remote working	Low
Upstream leased assets	Emissions from networks operated by 3rd parties and leased by PPF TG subsidiaries. Covers active network sharing. Passive sharing is included in Scope 2.	23,345	23,756	AIB residual mix emissions factors applied to known or estimated electricity use by leased networks. Emissions from fuel use of leased vehicles are already accounted for in Scope 1.	Medium
Downstream transportation and distribution	Emissions from transport of sold goods to PPF TG subsidiaries' customers, plus for services such as paper invoices.	52	407	Spend-based emissions factors are used, applied to the total volume of purchases of courier services. Applicable to O2 Czechia.	Medium



GHG Protocol category	What does this mean for PPF TG?	2022 emissions (tonnes CO2e)	2023 Emissions (tonnes CO2e)	Methodology	Ability to influence
Processing of sold products	Not relevant. Our products do not undergo further processing.				
Use of sold products	Emissions from devices used by PPF TG subsidiaries' customers.	196,520	109,989	Calculated either using data from EPDs/LCAs from suppliers, or using average assumptions for product power consumption and use pattern - energy used to charge or operate sold devices (phones, tablets, laptops, desktop computers) or the use of sold services (internet routers, IPTV, SatTV terminals) multiplied by total sales volumes and applying AIB residual mix emissions factors for electricity. Use of PPF TG's network by customers is already accounted for in Scopes 1+2.	Low
End-of-life treatment of sold products	Emissions from treatment of the devices sol by PPF TG subsidiaries, including decommissioning of devices used in providing services.	1,595	1,262	Calculated either using data from EPDs/LCAs from suppliers or Ecoinvent emissions factors applied to the same quantities of sold products (and services, for routers, IPTV and SatTV terminals) as in the Use of Sold Products category, with assumptions on average product weights. All are assumed recycled since PPF TG subsidiaries pay relevant taxes for their disposal according to national legislation	Low
Downstream leased assets	Covers commercial data centre housing where electricity use is part of the offered service, consumption of electricity by devices owned by TG subsidiary but placed in customer premisses and leasing of internet routes and IPTV terminals to end customers.	13,860	13,077	Known or estimated electricity use multiplied by AIB residual mix emissions factors - same as in Scope 2. Excludes electricity that is invoiced to customers. Applicable to O2 Czechia, CETIN Czechia and Yettel Bulgaria.	High, proportional to level of control in Scope 2.
Franchises	Emissions from energy use in franchise stores	752	728	UK.gov GHG Reporting Factors for fuels are applied and AIB residual mix emissions factors applied to known electricity used by franchise stores.	High
Investments	Emissions from operations of investments not otherwise included in Scopes 1 and 2.	1,273	1,290	Applying spend-based emissions factors to the total revenue of subsidiaries, differentiating by sector of business activity, and accounting for PPF TG ownership share. Covers O2 Czechia subsidiaries Tesco Mobile and První certifkační.	Low



For each activity, the most relevant and localised emission factor has been selected, at the discretion of the reporter. Selection criteria include locality, relevance, availability of emission factors, and consistency in using emission factor publications throughout the document. A full list of emission factor publications used in our GHG inventory is given in the table below:

Each emission factor used in the calculation of our GHG inventory has an assigned validity period that either overlaps or partially overlaps with the activity's reporting period. The validity period is based on the date of publication of the emission factor.<sup>1</sup>

[1] If the period of an activity overlaps with more than one emission factor's validity period, the median data of the activity period is used to determine the applicable factor (e.g., if an activity spans from August 2021 to July 2022, the median date would be January 29, 2022).

<b>Publisher</b>	<b>Publication Version</b>	<b>Publication Date</b>	<b>URL</b>
Exiobase	3.8.2	21/10/2021	<a href="#">link</a>
UK.gov	v2020 1.0	28/05/2020	<a href="#">link</a>
UK.gov	v2023 1.0	15/05/2023	<a href="#">link</a>
ADEME Base Carbone	2022 v22.0	24/06/2022	<a href="#">link</a>
Library of emission factors for general use in EnviTrail and other companies	None		
UK.gov	v2021 3.0	22/10/2021	<a href="#">link</a>
Ecoinvent	3.10	12/03/2024	<a href="#">link</a>
Association of Issuing Bodies	2022 v1.0	26/05/2023	<a href="#">link</a>
Library of emission factors for specific use in PPF	None		



### Changes in methodologies, sources and data collection processes

In 2023, the Group refined its greenhouse gas (GHG) emissions calculation for the 2022 period. The acquisition of fixed service operator Nej.cz by our Czech subsidiary CETIN in December 2023 triggered a revision in the operational boundaries of our GHG inventory. The Group also applied several methodological improvements based on learnings from the previous year and the decision to include all emission categories, regardless of materiality. This prompted a restatement under the GHG Protocol, as the Group's threshold for restatement is any change exceeding 5% of total GHG emissions.

For certain categories, including purchased goods, capital goods, upstream transport, product use, and end-of-life product emissions, we refer to actual product emissions as declared by manufacturers, wherever possible. This allows us to align more closely with the GHG Protocol in calculating certain Scope 3 emissions. If actual emissions data from suppliers is unavailable, we continue to apply a spend-based approach using the most recent Exiobase emission factors specific to each country, with the exception of Serbia, where we use rest-of-world emission factors. This approach marks a shift from the previous year's methodology, in which we conducted preliminary research into the countries of manufacture for key spending categories (such as devices and network infrastructure).

Because of the complexity of the value chain, this approach proved unreliable for local device resellers, and we consequently refined the Group's relevant assessment procedures.

For fuel and energy-related activities, we include upstream emissions from purchased electricity, heat and steam. These are calculated by multiplying proportional rates set by the IEA with AIB residual mix emission factors or specific emission factors for renewable energy sources.

Employee transport and business travel emissions have been reintroduced to the inventory primarily because of our decision to include all Scope 3 categories.

The Scope 3 emissions category of Investments has also been included in our inventory. These emissions are reported solely for O2 Czechia and account for emissions from subsidiaries. Although these emissions are relatively negligible, we adhered to a comprehensive approach in our inventory.

Several other improvements have been made to our emissions calculations. These include full alignment of emission categories inputs with company accounting, inclusion of the renewable energy certificates additionally obtained by CETIN Slovakia, application of the most recent residual mix emission factors released by AIB, and extension of the emissions from products we sell to the full lifecycle of the products. Leased products emissions are now also

accounted for under downstream leased assets.

To ensure comparability of our 2023 inventory with that of 2022-and in light of the described changes and improvements-we recalculated the 2022 GHG inventory, which we are restating in this Sustainability Report, in accordance with GHG Protocol requirements.



## ESRS E5

# Resource use and circular economy

In the course of our operations, we generate waste, which includes decommissioned network equipment, mobile devices and other electronic devices used by our customers, packaging materials, and other byproducts. This waste arises from all aspects of our operations, from network engineering to offices and retail outlets.

At PPF Telecom Group, we recognise our responsibility in limiting the environmental impact of waste, particularly in managing waste from electrical and electronic equipment and reducing the use of raw materials through more sustainable waste management practices.

Our key areas of focus include:

### Waste reduction

- Improve the collection and recycling methods of waste materials such as paper, plastic and cardboard across all our subsidiaries.

### Circular business practices for electrical and electronic equipment

- Support the circular economy by prioritising the repair, refurbishment, reuse and recycling of electronic equipment, both for our operations and for customer use, to reduce environmental harm.

We have implemented a comprehensive waste management plan designed to minimise waste generation, reduce environmental impacts, promote recycling, and address the waste produced by our customers.

In this section, we take a thematic approach to the sustainability topic identified in our materiality assessment.





# Resource outflows

## Why it matters

Rapid technological advancements and changing customer behaviours have shortened the lifecycles of devices and network equipment, leading to increased production and consequent waste. Electronic waste (e-waste) in particular is one of the fastest growing waste streams globally.

Minimising waste generation and maximising reuse and recycling are critical to reducing resource depletion, energy consumption and the greenhouse gas emissions associated with raw material extraction and the production of electronic equipment.

Specific waste management techniques can be applied at each stage of the waste hierarchy to minimise emissions into air, water and soil during disposal. Given the specific materials used in electronic devices, proper end-of-life treatment is essential to preventing harm to human health and the environment. The Waste Framework Directive (2008/98/EC) defines a waste management hierarchy that prioritises prevention, preparation for reuse, recycling, other forms of recovery, and lastly, disposal. The impacts related to resource use and waste generation occur throughout our value chain, with implications in the short, medium and long terms. If not managed effectively, these impacts can have serious consequences for both the environment and public health, making this area a material concern for PPF Telecom Group.

## Our approach

### Policies

Our environmental and waste management policies are decentralised to accommodate the diverse operational contexts and regulatory environments across our business units. These policies are designed to comply with the legal requirements concerning waste management, packaging, and the disposal of products at the end of their lifecycles. They establish clear internal protocols regarding the assignment of responsibilities in waste management, employee obligations, and procedures for waste sorting, collection, elimination and transportation. The policies also address the handling of specific waste categories and management of packaging materials. In accordance with our policy, all employees are required to actively participate in waste reduction efforts, ensuring proper sorting and collection of waste, whether hazardous or non-hazardous. Adherence to the established waste management system is mandatory at all our premises.

### Engagement

Most of the waste generated by our operations and offices comprises e-waste, residual waste, as well as paper, cardboard, and plastic packaging. Our waste management plan is designed to minimise the amount of waste generated across our operations, with a particular focus on reducing e-waste. We employ a range of methods and actions, all in strict compliance with applicable laws

and regulations, especially at the disposal stage. To achieve this, we collaborate with specialised, reputable contractors to ensure the reuse or recycling of e-waste.

Recognising that electronic waste represents the largest portion of the waste PPF Telecom Group generates, we have set two key targets specifically addressing this challenge:

- Prioritise reusing and reselling of our decommissioned network equipment (e-waste), and by doing so prolong its useful life, before recycling the rest of it, thus not allow any equipment to end up in a landfill by 2025 (applicable to CETIN and CETIN Networks).
- Repair, reuse, or recycle e-waste generated by us and collected from our customers in order to prevent at least 250 tonnes from going to landfill by 2025 (Yettel and O2).

In 2023, CETIN prevented 99.9% of decommissioned equipment and O2 and Yettel operators 152 tonnes of e-waste from going to landfill.





## Actions

### Our retail operators

Our retail operators not only manage the e-waste generated by their operations but also take further steps to support customers and society in addressing the growing challenge of e-waste, now officially the fastest-growing waste stream globally.

To address this challenge, our network operators focus on two key areas: collecting e-waste from customers at the end of a device's life and extending the life of customer devices through repair and refurbishment of used devices or parts, where applicable.

To achieve our waste reduction goals, we are committed to:

- **Implementing take-back programmes:** We are establishing partnerships and channels for the refurbishment, recycling and safe disposal of used mobile phones. A key priority in this process is ensuring the secure removal and destruction of sensitive data from devices intended for reuse.
- **Customer engagement:** We use various communication channels to educate and engage customers about the importance of responsible consumption and the proper disposal of electronic devices to help protect the environment.
- **Promoting a paperless company:** We have implemented e-bill systems to encourage both customers and business partners to switch from paper to digital billing. Retail

customers can opt to receive and store their bills via a dedicated app or email, contributing to our vision of reducing paper waste.

- **Advocating virtual eSIMs:** We are promoting the adoption of virtual eSIMs, a software-based solution that enables smart devices to connect to the mobile network, eliminate the plastic waste associated with traditional SIMs. We are also piloting a shift to half-sized SIMs, starting with O2 CZ, to further reduce the use of plastic. Where feasible, we also offer eco-friendly accessories, such as phone cases, to our customers.

### Waste management at Yettel Serbia

As part of the Group's ongoing efforts to minimise waste and promote sustainability, Yettel Serbia has made substantial progress in reducing paper waste through its e-billing initiative. In 2023, Yettel Serbia added 169,732 new e-bill users, saving approximately 1.7 million sheets of paper and about 1.5 million envelopes. By 2027, the company aims to have 1.6 million users benefiting from e-billing to further decrease paper waste and to advance its digital transformation. This shift towards digital solutions not only enhances the customer experience but also helps conserve natural resources.

Yettel Serbia also runs a successful electronic device recycling programme that provides a sustainable disposal system for devices no longer in use. Through this initiative, 21.4 tonnes of electronic devices, including mobile phones, laptops, tablets, routers, MiFi devices,

smartwatches, chargers, headphones and Bluetooth speakers, have been recycled. With over 186,000 devices recycled to date, the company has recovered 8.9 tonnes of copper, 196 kg of silver, 13 kg of gold, and 8 kg of palladium for reuse. The company has set targets to recycle 1 million devices by end of 2025 and to increase e-waste collection and recycling by 100% by 2027.

We also offer our customers an Eco bonus as part of their service packages, allowing us to recycle plastic and paper waste on their behalf in partnership with an authorised waste management operator. In 2023, we successfully collected and recycled over 389 tonnes of plastic waste and more than 186 tonnes of paper waste on behalf of our customers.

### Waste management at Yettel Bulgaria

Recognising the importance of the circular economy, Yettel Bulgaria remains committed to extending the lifespan of devices and ensuring their proper treatment at end of life. In February 2023, we extended the warranties of all smartphones offered by Yettel from two to three years.

Awareness is crucial to the success of tackling e-waste, and through multiple PR and advertising campaigns, we have reached more than 2.9 million people on this important topic. In 2023, Yettel Bulgaria also launched The Green Cause, a monthly newsletter with nearly 360,000 subscribers, providing

practical tips to help consumers adopt more sustainable and eco-friendly lifestyles.

Through various programmes focused on device lifecycle extension, repair, reuse and recycling, Yettel Bulgaria prevented 27,233 kg of e-waste from ending up in landfill in 2023. These efforts, combined with effective communication and commercial initiatives, led to a 60% increase in e-waste returned to stores compared to 2022 levels.

Waste management at Yettel Hungary  
Yettel Hungary has also been promoting the return of electronic waste to the circular economy through campaigns and programs, such as the national selective waste collection competition, GyűjtsVelem. During this year's five-week competition, students from 2014 participating schools collected a record amount of nearly 7000 mobile phones and 38.5 tonnes of batteries for recycling.

At the same time, we launched a sustainability competition for the shops. They had to collect as many old phones as possible, managing to get 40 823 units of used mobile phones (5300 kg).

In addition, we launched an internal sustainability competition for our retail stores, which resulted in the collection of 40,823 used mobile phones (5300 kg). After last year's successful campaign, Yettel once again encouraged customers to return their old mobile phones, offering discounts



of up to HUF 30,000 on new purchases in exchange for used handsets, promoting responsible e-waste management.

Looking ahead, Yettel Hungary has committed to recovering and recycling 22 tonnes of used mobile phones between 2023 and 2028 to reduce its environmental footprint.

Our network operators prioritise extension of the life of equipment wherever possible, while maintaining high-quality services for customers. Once equipment reaches the end of its useful life, components are repurposed as spare parts, and the remaining equipment is either resold or recycled by trusted partners, in alignment with our goal to minimise e-waste sent to landfill.

**Waste management at O2 Czechia**

At O2 Czechia, we have reduced office paper consumption by 24.6 tonnes through the implementation of digital billing for corporate and government customers. We also run a campaign encouraging customers and employees to recycle their old phones. For each phone returned, we have donated CZK 25 to Linka bezpečí (Safety Helpline) through our O2 Foundation. REMA Systém, a.s., recovers valuable raw materials from old phones, including plastics, iron, copper, tin and various precious metals. In 2023, we collected 4231 phones for recycling and refurbished 2771 phones.

**Our network operators**

Most of the waste generated by our infrastructure operators consists of decommissioned network equipment and packaging materials. Hazardous waste, primarily lead-acid batteries and electronic devices used for emergency backup power at radio base stations, is carefully managed. We work with accredited waste treatment professionals for the proper collection, sorting and disposal of these materials, ensuring full traceability.



*As of 2023, Yettel Serbia has recycled 21.4 tonnes of electronic devices through their device recycling programme*



## Key waste management figures

In 2023, PPF Telecom Group generated approximately 3,777 tonnes of waste across all streams, of which 83% was diverted from disposal. However, only 48% of the waste was recorded as recycled, partly due to limited information on the specific follow-up treatments. We plan to conduct a more precise analysis in the coming months, including closer collaboration with our contractors.

As a Group, we generated 1,875 tonnes of e-waste, with the majority contributed

by CETIN due to the significant 5G network modernization program, which involved replacing old equipment and aging technologies with new ones.

Across all our retail operators, the ongoing initiatives helped prevent 152 tonnes of e-waste from reaching landfills in 2023.

Our network operator, CETIN, successfully prevented 99.9% of the e-waste they generated from going to landfill, aligning with the Group's set goal.

## E-waste management at O2 and Yettel

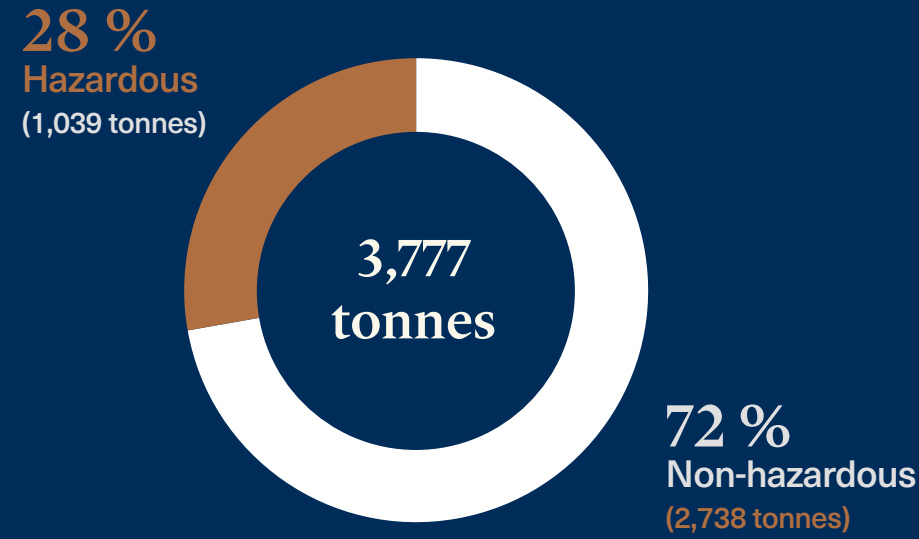
2023	tonnes
<b>E-waste collected in our stores</b> Includes waste from electrical and electronic equipment and non-usable batteries	<b>109</b>
<b>E-waste collected in our offices</b> Includes waste from electrical and electronic equipment, non-usable batteries, and decommissioned IT equipment	<b>11</b>
<b>Repaired devices</b>	<b>26</b>
<b>Giving a second life to devices</b> Through re-selling of used devices	<b>6</b>
<b>E-waste total</b>	<b>152</b>

## Key waste management metrics

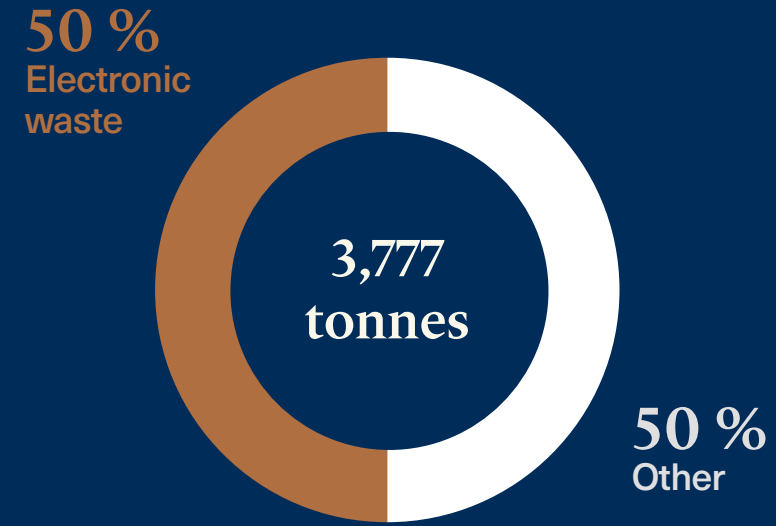
2023	tonnes
<b>Hazardous waste diverted from disposal</b>	<b>984</b>
Hazardous waste diverted from disposal due to preparation for reuse	12
Hazardous waste diverted from disposal due to recycling	889
Hazardous waste diverted from disposal due to other recovery operations	80
<b>Non-hazardous waste diverted from disposal</b>	<b>2,172</b>
Non-hazardous waste diverted from disposal due to preparation for reuse	38
Non-hazardous waste diverted from disposal due to recycling	806
Non-hazardous waste diverted from disposal due to other recovery operations	1,330
<b>Hazardous waste directed to disposal</b>	<b>58</b>
Hazardous waste directed to disposal by incineration	32
Hazardous waste directed to disposal by landfilling	21
Hazardous waste directed to disposal by other disposal operations	5
<b>Non-hazardous waste directed to disposal</b>	<b>564</b>
Non-hazardous waste directed to disposal by incineration	283
Non-hazardous waste directed to disposal by landfilling	255
Non-hazardous waste directed to disposal by other disposal operations	27
<b>Total waste generated</b>	<b>3,777</b>
<b>Non-recycled waste</b>	<b>1,955</b>
Percentage of non-recycled waste	52%



### Total waste in 2023

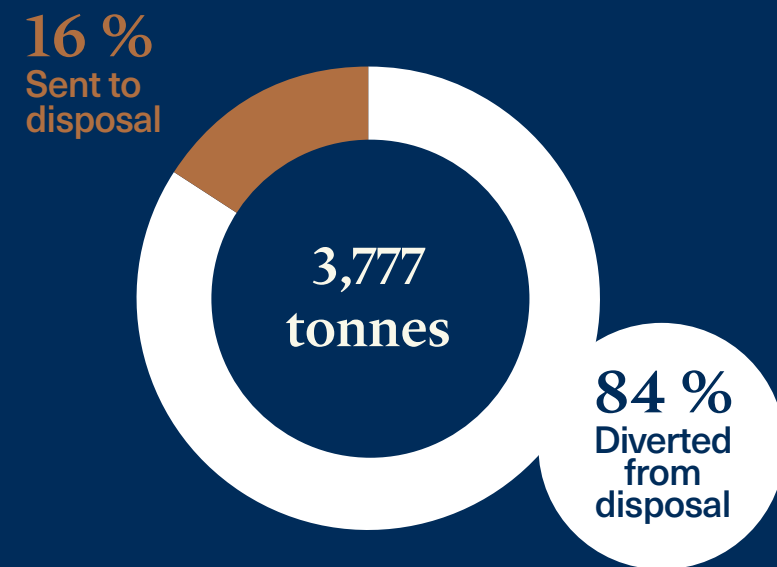


### Electronic waste

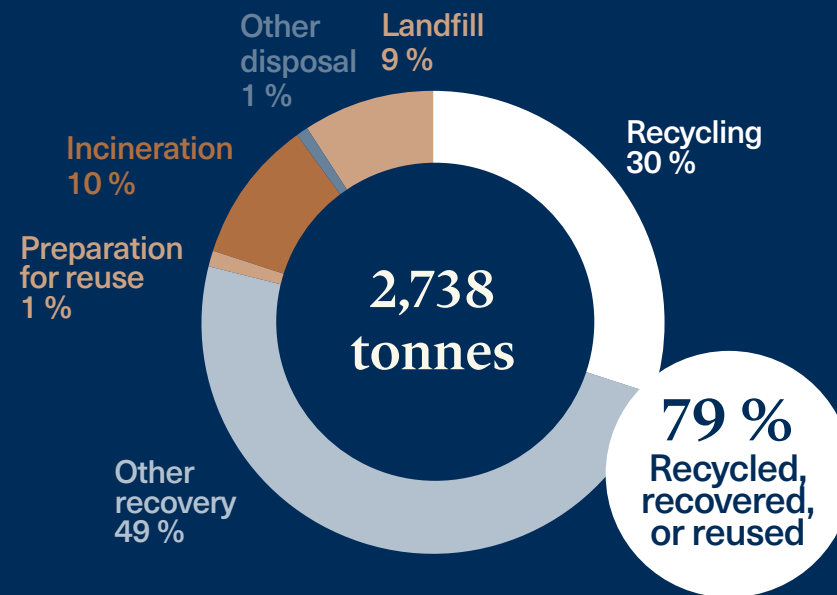


### Types of disposal

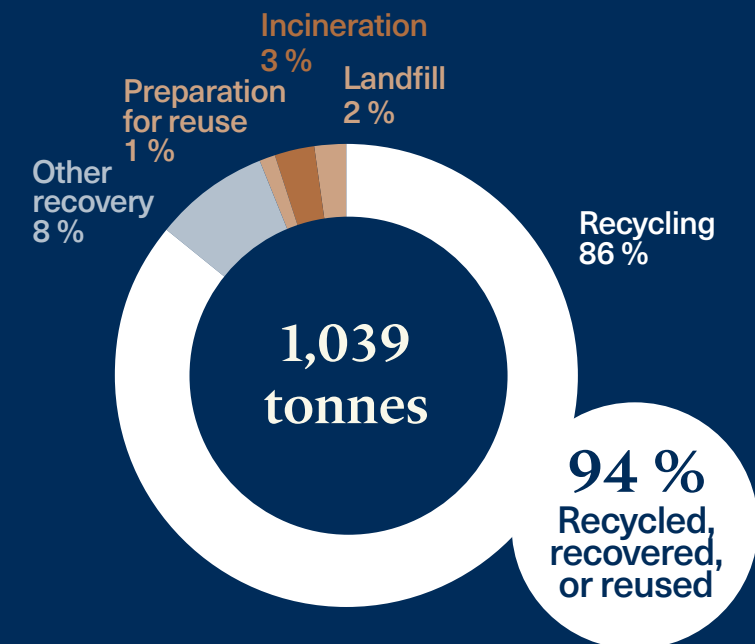
#### Total waste



#### Non-hazardous waste



#### Hazardous waste





# Putting people at the centre of our business

ESRS S1 Own workforce





## ESRS S1

# Own workforce

PPF Telecom Group depends on a skilled workforce that enables the company to meet the needs of its customers and grow its business. We understand that the success of the company stands on the success of its people. Attracting the right talent and maintaining high levels of engagement, motivation, and job satisfaction is key to creating a harmonious and mutually beneficial working environment.

We strive to support and look after our employees and people, right through the value chain by prioritizing:

### Health and safety

- Provide employees with safe and healthy working conditions.
- Pursue an active company-wide target of zero accidents.

### Diversity and gender equality

- Strive to create an equitable environment free from any discrimination that aligns with our fundamental goals of respecting human rights..

### Training and skills development

- Invest in employee growth, provide opportunities for upskilling and reskilling, and offer clear paths of advancement.

### Collective bargaining and social dialogue

- Respect workers' rights and foster collaborative relationships.
- Support freedom of association and the right to engage in collective bargaining.

Managing the Group's social impact is integral to the company's objectives, long-term success, and creation of value for all its stakeholders. In this section, we take a thematic approach to the sustainability topics identified in our materiality assessment.





# Health and safety

## Why it matters

The nature of the jobs in our organization varies greatly, carrying different risks to personal health and wellbeing. Identifying and mitigating these hazards is an important focus.

Specifically, technicians are exposed to high levels of danger of falling and risk of serious injury as they are spending time working on telecom masts, towers and rooftops, installing cabling, antennas and other transmission equipment. Other health risks include working with electricity and exposure to extreme weather and electromagnetic fields. Vehicle traffic is also a major safety risk in the telecommunications industry since much work is performed in public areas near roads or highways.

Other groups exposed to specific risks in their workplace and from the demands of their job are workers at call centres and retail stores. Call centre work involves long hours of sitting and repetitive movement. Poor ergonomics in this case raises the risk of obesity and other chronic diseases, including musculoskeletal disorders. The demands of handling customer inquiries and complaints, which may include threats of violence, harassment or verbal abuse, can also be detrimental to an employee's mental health.

The workloads across our organization also

vary greatly from day to day, ranging from routine tasks to complex and time-consuming projects. Working long hours can adversely affect individuals, teams and third parties.

These impacts affect both our own employees and those working for us in our value chain, such as contractors, and can occur over the short, medium or long term. If not managed properly, these risks can have serious consequences on people's physical and mental health, reduce morale, lead to staff turnover, and impact the quality of work. This area is therefore a material topic for the Group.

## Our approach

### Policies

The company has procedures in place to identify hazards, assess risks, and prevent accidents and occupational diseases. Defined in the various local health and safety policies set up individually at business units, these procedures reflect the local legal and business-specific requirements in each country where the Group operates.

All our businesses have occupational health and safety guidelines in place to manage the risks encountered by employees. Some of the Group's companies, for example O2 Czechia, Yettel Bulgaria, CETIN Czechia, CETIN Slovakia and CETIN Bulgaria, have ISO 45001 externally audited certification for occupational health and safety management systems.

### Engagement

Employees are trained to work with health and safety management systems. All new employees must undergo mandatory health, safety and fire safety training upon joining the company and at regular intervals thereafter. Employees in technical roles are subject to additional training, for example working at height and competence in electrical engineering. We also run numerous awareness campaigns. Psychological, social and physical wellbeing are also important in our employees and addressed

through initiatives to increase employee awareness of the importance of having healthy lifestyles and maintaining a work-life balance.



## Actions

**Provide employees with safe and healthy working conditions. Specifically, to pursue an active company-wide target of zero accidents.**

We invest in safety equipment and ongoing upskilling of employees, especially technicians, who are highly exposed to risks of severe or life-changing injuries in our operations. To determine compliance with safety standards, the Group maintains up-to-date information about identified hazards, performs risk assessments and executes necessary measures. The Group's business units perform regular audits and on-site health and safety inspections, provide supervision, and maintain robust site maintenance programmes.

The Group's most important health and safety target is the prevention of accidents. We again achieved zero fatal injuries in 2023, as in the previous years.

Additionally, we help improve the wellbeing of our workforce by reducing the mental strain of work-related stresses and guiding employees and managers through the processes that address these concerns. We offer a range of benefits tailored to local practices and encourage employees through communication campaigns to access these programmes. Courses are offered for coping with stress and other emotional health issues, and various sport activities are arranged to cultivate physical and mental resilience and team spirit.

### Health and safety at CETIN

Employees at CETIN build and maintain telecommunications infrastructure and deliver services 24/7, working at heights with lifting platforms, ladders, abseiling tools and machinery, and being exposed to electrical hazards, as well as to mental and physical stress. We therefore give special attention to these roles.

### Balance crew at Yettel Bulgaria

Maintaining a work-life balance is important. At Yettel Bulgaria, employee volunteers organize ongoing initiatives to encourage their colleagues to adopt healthy approaches. Employees can access support through open sessions organized with various specialists in the field. In addition to open sessions for employees, we organize regular competitions; for example, League of Adventurers, 10,000 steps, No Elevators Day, challenge to climb 200 steps in a month, Wizz Air marathon, Business Run, and Run Together, to name a few.



*Balance crew employee volunteering programme at Yettel Bulgaria*





## Health and safety metrics

	Employees 2023	Non-employees 2023
Percentage of own workers who are covered by health and safety management system based on legal requirements and (or) recognised standards or guidelines	100%	18%
Number of fatalities in own workforce as result of work-related injuries	0	0
Number of fatalities in own workforce as result of work-related ill health	0	0
Number of recordable work-related accidents for own workforce	52	2
Rate of recordable work-related accidents for own workforce	2	22
Number of cases of recordable work-related ill health of own workforce	6	-
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health	270	-

Note: 2023 data are collected as per ESRS guidelines. Similar metrics disclosed in our previous ESG reports are not fully comparable as they were collected using different methodology.





# Diversity and gender equality

## Why it matters

The Group strives to create an environment where everyone feels welcome, discrimination is prevented, promotional opportunities are offered, and hiring, training and compensation practices are based on the individual's skills and merit.

We understand that individuals with diverse backgrounds bring valuable differences in perspective, work ethics, and ways of working to the company. Diversity in the workplace reflects the world around us and our customer's needs, which in turn leads to better business solutions. Strength and diversity in our leaders are also pillars for successful business.

These impacts affect primarily our employees and can occur over the short, medium or long term. If not managed properly, they can seriously affect people's quality of life, and consequently, also the wider society. Since the Group is an important employer in its countries of operation, this area represents a material topic for us.

## Our approach

### Policies

PPF Telecom Group's commitment to respecting and protecting the human rights as declared in the International Bill of Human Rights is reflected in its Code of Ethics.

The Group's Diversity, Equity and Inclusion (DEI) Policy was approved by the Company's Management Board in 2023 and will be implemented across the Group in the first half of 2024. It represents the next step on our journey of supporting inclusion and diversity.

### **PPF Telecom Group's Diversity, Equity and Inclusion (DEI) Policy**

The purpose of the DEI Policy is to establish the guidelines for ongoing action in the Group to create a workplace where everyone can thrive and be at their best regardless of their differences. The Group executes its DEI Policy through recruitment, equal career advancement opportunities, and fair remuneration practices. The Group's DEI Policy applies to all Group companies and individuals directly employed by a Group company or acting on behalf of or for the benefit of any Group company or the Group as a whole, including, but not limited to, employees of temporary employment agencies, employees of legal entities on temporary secondment outside any Group company or the Group, managers and (members of) the executive and supervisory bodies of any Group company.

### **Our DEI policy includes:**

#### *Combating bias*

To ensure equal opportunity and fair treatment with a continuous focus on eliminating bias, we started with unconscious bias training in our leadership team and then across the organization. At the end of 2023, the Group commenced training sessions with top leaders on unconscious bias.

#### *Group talent development programme*

To focus on developing key talent for business unit management roles we centralized people review process, along with individual development approach to each talent as a key baseline for a Group-wide talent growth. We use our synergy to have the right people in the right places.

#### *Minority Groups*

To address specific areas and needs, we designed training modules open to everyone. We strive to build a pipeline of high potential individuals who have diverse backgrounds and skills.

## Engagement

Various initiatives are in place throughout the organization to raise awareness of unconscious bias, promote inclusion, and develop underrepresented talent.

In the first half of 2023, we conducted a group-wide diversity and inclusivity survey for all business units. The survey collected respondent's views about the importance of

equality and management's commitment in this area and information about their experiences, if any, with discrimination or unconscious bias during employment at the Group. Overall, most respondents believe that equality is important and a diverse and inclusive culture positively affects the company's success. The survey also identified the need to raise awareness on these topics, specifically about unconscious bias and how to avoid it. The results were presented to top management at business units for appropriate follow-up action.

Grievance mechanisms, which vary according to country and business unit, are in place to provide employees with a formal complaint procedure to deal with discrimination. If an employee encounters harassment or discrimination, the employee is required to report the violation to a manager or Human Resources, or via the ethics hotline on the ppf.eu website. The Group's policy is to act promptly and address a reported issue so that the employee feels protected. The Group does not tolerate any form of retaliation against an employee for reporting a suspected misconduct in good faith.



## Actions

**Strive to create an equitable environment free from any discrimination that aligns with our fundamental goals of respecting human rights.**

PPF Telecom Group’s objective is to implement its DEI policy through a combination of group-wide and local initiatives. The start of 2024 will be marked by a group-wide launch of the new DEI policy, to be communicated by the CEO and disseminated to all employees. Training on unconscious bias will continue to be rolled out to mid-leadership and all employees throughout the year.

### DEI Strategy at CETIN

The three pillars of CETIN’s DEI strategy are:

#### Education and engagement

We aim to increase the overall understanding of what an inclusive workplace looks like and activate people to join the company on a DEI journey. Our initial focus will be on senior management since we believe that change must first come from the top.

CETIN initial aim is to improve cross-generational communication. We are aware that longer life expectancy, delayed retirement and demographic shifts in the population are resulting in a general trend of an increasing proportion of older people in our workforce. The majority of employees, however, are still below 50 years of age, reflecting our focus on technology and retail-oriented sectors, where age structures tend to be skewed

towards younger people. We ensure that our older colleagues feel valued in their roles and receive the necessary assistance for training and upskilling or support for health and wellbeing issues. We are committed to retaining or transferring skills and knowledge within the organization and encouraging multigenerational collaboration to maximize productivity and innovation.

#### Inclusive and transparent HR processes

Key HR processes often go unseen, but their results are not. Clear, transparent and fair processes have a positive impact on employee trust and engagement.

#### Social/People impact

The Group is rolling out a talent programme for future directors, offering mentoring for women, and introducing employee volunteering activities.

#### Re-integration programme for employees on parental leave at Yettel Hungary

Developed and launched in 2023, the programme is designed to maintain active relationships and engagement with colleagues while they are on parental leave and to assist with re-integration when they return to work. Under this programme, we invite employees who are on parental leave to join in on regular social events, and in 2023, we launched a dedicated private Facebook group to share company news with this group of employees. Expansion of the programme is planned for 2024.

#### STEMpowered by CETIN Hungary

The employment rate for women in Hungary exceeds 45 percent, yet women account for less than 14 percent of the workforce in the technology sector (Data source: Hungarian Central Statistical Office (April 2023) and Eurostat (2022)). Career choices are primarily decided in high school, and according to research, fewer girls choose STEM (Science, Technology, Engineering, Mathematics) fields because of a lack of supportive environments. CETIN Hungary challenged this shortcoming and launched a free talent programme for secondary school girls in partnership with the Association of Hungarian Women in Science (NaTE).

In addition to developing mathematics and digital skills, the key aim of the ‘STEMpowered by CETIN’ programme is to assist girls with career advice and professional mentoring. In 2023, fourteen girls joined the newly launched programme. 14 mentors were provided by CETIN Hungary, including women in the company’s management.



*‘STEMpowered by CETIN’ talent programme at CETIN Hungary*



## Diversity and gender equality metrics

Employee distribution by gender (headcount)	2023
Female	6,029
Male	7,979
Other	-
Not reported	-
<b>Total number of employees<sup>1</sup></b>	<b>14,008</b>

Distribution of employees by age group (headcount)	2023
Under 30 years old	3,515
Percentage of employees under 30 years old	25%
Between 30 and 50 years old	8,046
Percentage of employees 30 and 50 years old	57%
Over 50 years old	2,447
Percentage of employees over 50 years old	17%

Gender distribution at top management level (headcount)	2023
Female	18
Percentage of total at top management level	19%
Male	75
Percentage of total at top management level	81%
Other gender	-
Percentage of total at top management level	-
No data	-

Gender distribution in technology roles (FTE)	2023
Female	636
Percentage of total in technology roles	16%
Male	3,388
Percentage of total in technology roles	84%
Other gender	-
Percentage of total in technology roles	-
No data	-

[1] Non-guaranteed hours employees can have permanent or temporary employment contract.

Note: 2023 data are collected as per ESRS guidelines. Similar metrics disclosed in our previous ESG reports are not fully comparable as they were collected using different methodology.



# Training and skills development

## Why it matters

PPF Telecom Group is committed to giving employees opportunities for growth and recognizing their contributions. We seek out the best talent, look after employee health and wellbeing, and create working conditions to empower employees to achieve their best.

With a content and motivated workforce, customers and company growth follow. In turn, the Group can enjoy higher productivity, employee satisfaction, and long-term organizational success. The Group therefore continuously works towards recognition as an employer of choice.

These impacts affect our own employees and can occur over the short, medium or long term.

## Our approach

### Policies

PPF Telecom Group operates as a holding structure, and therefore policies related to our workforce and procedures are decentralised to reflect the inherent differences between our operations and legal frameworks and to better respond to employee needs.

### Engagement

To obtain insight into employees' views of their workplace, daily work experiences, relationships with managers, and other factors of their working life, we conduct regular monthly to quarterly surveys. Human resources department and managers monitor the survey results together. If any changes in parameters signal a potential problem, we create an action plan for improvement.

To enhance employee engagement and satisfaction, all our business units, with the exception of O2 Czechia, use the LutherOne engagement and productivity platform, measuring the "Participation rate" indicator.

Across the Group, we aim to achieve greater than 60% participation in our employee surveys. In 2023, participation rate reached 62%.

### LutherOne

LutherOne is a platform that measures employee engagement and satisfaction through continuous surveys. It equips management with comprehensive data analytics tools to actively engage with their teams. By receiving feedback on their leadership and maintaining close alignment with the sentiments and attitudes of employees, managers are able to cultivate an environment that is conducive to high ratings in areas directly linked to day-to-day operations and team dynamics. Indices where the Group scores highly are Managers (92), Fairness and Inclusion (91), Empowerment (90), and Team Efficiency (89). LutherOne gives the Group companies the advantage of promptly addressing team-specific issues and fostering constructive resolutions at an early stage. Immediate feedback mechanisms allow concurrent appraisal of the effectiveness of solutions. Key performance indicators for the Group consistently exhibit a substantial lead of four to five points over the IT and telco market average – Integrity and Transparency (89), Values (88), Strategy (86), Top Management (84), Care (80). Employees also deeply value the Group's commitment to

wellbeing in the workplace and appreciate the opportunity to regularly voice their views.

Note: LutherOne results exclude O2 Czechia, which is not using LutherOne.



## Actions

### Invest in employee growth, provide opportunities for upskilling and reskilling, and offer clear paths of advancement.

PPF Telecom Group strives to create and maintain an attractive work environment where all employees can develop their skills and work in suitable roles.

People reviews, personnel development programmes, and succession planning processes are conducted locally but align overall with the the Group's strategic business development objectives. Learning and development needs are identified through annual talent reviews during the performance management cycle alongside interviews with leaders, covering areas such as performance improvement, talent retention, existing capabilities, upskilling, and building future employee knowledge and skills.

This bottom-up process at the local level includes identifying rising stars and future leaders. Their potential is further evaluated at the Group level by senior managers, including executives such as the CEO and CFO.

Training is organized around the Group's needs, regulatory requirements, and employee development objectives.

In 2023, 97% of own employees participated in regular performance and career development reviews.

### Leadership and Expert Academy at Yettel Serbia

The Leadership and Expert Academy is designed as a catalogue from which leaders and their team members, guided by HR partners, can select the courses required at both the company and individual level to create a personal development journey for everyone. The Academy is based on three development pillars:

Soft skills and Expertise – Learning and training modules for employees, for example Leadership Development, Organizational and Business Design, Finance for Non-finance Training, Project Management, Presentation Skills, and Excel Training.

New Ideas and Solutions – Attendance at events such as the Armada JS conference (for IT students), Data Science Conference, hackathons (developing solutions to improve the functionality of internal platforms), Let's Talk (developing ideas that positively impact employees and customers).

Talent – Mentoring for high potential individuals to develop their skills. Shadowing to create opportunities for employees to explore work in other functions and departments, obtain fresh views of the organization, and pursue required skills and competencies.

### Internship Programme Hub at Yettel Bulgaria

In 2023, Yettel Bulgaria ran two editions of the Internship Programme Hub by Yettel. Nine of the 613 applicants qualified to get an inside view of the world of telecommunications, gain valuable practical experience, and

work on strategic projects in the company's technology, commercial, and financial departments. Sixty-two interns have passed through the programme since it began in 2016, and 83% of these have stayed in permanent employment positions at the company and continued with their career development to this day. In addition, Yettel's Second Shift Programme, now in its second year, lets the children of our employees experience a summer internship. In 2023, we updated the programme with Teen Academy, an educational week designed to inform children about skills important to the company, how the company works, and important workplace topics (including awareness of ESG and the importance of DEI). Thirty-five children participated in the programme in 2023.

### Internal mobility and student internships at O2 Czechia

Internal mobility, comprising specialist roles, is supported through career counselling. Leadership positions are primarily filled by recruiting internal candidates from our contact centres and stores. We also maintain partnerships with schools and universities, offering internships with IT departments for secondary school students and extended internship programmes for university students.

### Polaris – An agile transformation project at O2 Slovakia

O2 Slovakia is undergoing an agile transformation with the vision of becoming the most recommended partner for digital services in Slovakia. The company and its people are still acclimatizing to the new way of working, but it was important

to involve our colleagues from the start, communicate the forthcoming changes promptly and transparently, and celebrate the first successes. We have observed several positive trends, the most significant change being greater employee satisfaction with the flexibility of our processes on the market and towards our customers (an increase of 4 points). This shows that employees have accepted the transition to an agile management style. Employees also know that they have more clearly defined roles and objectives, which is a positive impact gained from working in an interdisciplinary environment with agile teams (increase of 5 points).

### Yettel Hungary named a most liked employer

Our companies have long been ranked highly in their attractiveness as employers. From the results of surveys conducted in 2023 via the Hungarian international employer evaluation platform "WhereWeWork" (Munkahelyeink.hu), Yettel Hungary ranked first on the list of most liked employers. The platform is unique in Hungary and currently the only independent list for ranking Hungarian companies based on employee evaluations. Its main goal is transparency for both employees and employers. Employers are evaluated on aspects such as career opportunity, reward packages, work/life balance, management, and corporate processes and values. In Hungary, the platform has more than 200,000 registered employees and 850 registered companies.

## Training and skills development metrics

<b>Performance reviews and career development, 2023</b>	<b>Female</b>	<b>Male</b>	<b>Other</b>	<b>Not disclosed</b>	<b>Total</b>
Number of employees in headcount	6,029	7,979	-	-	<b>14,008</b>
Number of employees that participated in regular performance and career development reviews	5,887	7,707	-	-	<b>13,593</b>
Percentage of employees that participated in regular performance and career development reviews	97.6%	96.6%	-	-	<b>97.0%</b>
Number of regular performance and career development reviews provided to employees within the undertakings in the reporting year	25,581	27,956	-	-	<b>53,537</b>
Average number of performance reviews per employee	4.2	3.5	-	-	<b>3.9</b>

Note: The training metrics do not include inputs from Yettel Hungary. The company has not been measuring these indicators but is preparing to disclose them for the financial year 2024.

<b>Training, 2023</b>	<b>Female</b>	<b>Male</b>	<b>Other</b>	<b>Not disclosed</b>	<b>Total</b>
Number of training hours on mandatory and statutory training offered to and completed by own employees	80,579	105,114	-	-	<b>185,693</b>
Number of training hours on career and skills development training offered to and completed by own employees	165,202	173,626	-	-	<b>338,829</b>
Total number of training hours offered to and completed by own employees	245,781	278,740	-	-	<b>524,521</b>
Average number of training hours per employee	40.8	34.9	-	-	<b>37.4</b>

Note: 2023 data are collected as per ESRS guidelines. Similar metrics disclosed in our previous ESG reports are not fully comparable as they were collected using different methodology.



# Collective bargaining and social dialogue

## Why it matters

Labour unions play an important role in protecting employees and their rights. Labour unions negotiate additional collective terms and conditions for employees regarding remuneration, benefits and working conditions.

In Slovakia, an employee council composed of elected employee representatives represents the Group's workers in communications with top management. The council's role is to comment on questions regarding the Labour Code, to collect, discuss and submit employee comments and suggestions for improving work, work relationships and work processes, to be a tool for employees in promoting proposals and commenting on work at the company, and to supervise the fulfilment of agreed changes.

## Our approach

### Actions

**We support freedom of association and the right to engage in collective bargaining.**

We respect our employees' rights to be members of unions and do not tolerate retribution or hostility towards an employee who chooses this option. We respect the core standards of the International Labour Organization (ILO), especially freedom of association and the right to collective bargaining. In the countries where the Group's employees are members of unions (Czechia, Serbia), remuneration is subject to collective bargaining agreements and specified in the company's internal directives. In addition to a basic salary, employees are eligible (according to certain rules and conditions) for incentive remuneration as bonuses or commissions.

Coverage Rate, 2023	Collective Bargaining Coverage		Social dialogue
	Employees EEA	Employees Non-EEA	Workplace representation, EEA only
0-19%	Slovakia, Hungary, Bulgaria		Bulgaria
20-39%			
40-59%			
60-79%			
80-100%	Czechia	Serbia	Czechia, Slovakia, Hungary





# Key own workforce figures

The Group’s entire own workforce is located in the mature, stable markets of Central and Southeastern Europe and the European Union, working under well-developed labour and regulatory frameworks. The majority of the Group’s workforce consists of permanent employees. It is a deliberate strategy to provide secure and stable employment for our teams and fundamental to attracting, retaining and motivating top talent and maintaining a valuable pool of knowledge.

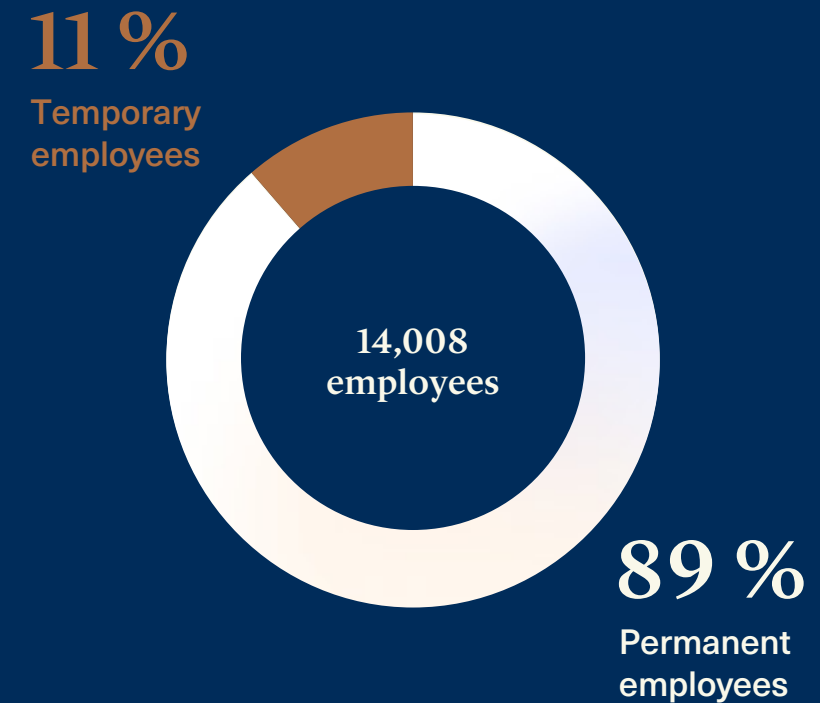
The Group’s remuneration mechanism differs according to the country of operations. The Group offers a range of additional benefits, such as extra days of leave, access to facilities for healthcare, education and sports, and meal vouchers for employees on employment contracts (full-time, part-time). Only some benefits are available to employees working under external employment contract agreements. All our employees with the exception of limited number of people in Czechia and Slovakia, where specific flexible work agreements are standard market practice,

are covered by social protection such as loss of income due to major life events.

In 2023, we experienced overall employee turnover of 22%, driven by customer facing roles in our retail segment. Although this is a sector-wide challenge, our companies are constantly monitoring their employee churn, putting specific initiatives in place to improve their turnover rate (revamping of the recruitment and onboarding in retail, on-the-job training and sales coaching, leadership upskilling of frontline people managers and others), and benchmarking against market and sector trends.

In 2023, the Group employed 203 people with disabilities, equivalent to 4% of total headcount subject to legal restrictions on the collection of data. Person with disability is defined in accordance with local laws and legislations.

Employee distribution by contract type, 2023	Male	Female	Other	Not disclosed	Total
Number of employees	7,979	6,029	-	-	14,008
Number of permanent employees	7,201	5,245	-	-	12,446
Number of temporary employees	777	784	-	-	1,562
Number of non-guaranteed hours employees	132	98	-	-	231





## Key own workforce metrics

Types of non-employees in own workforce	2023
Number of non-employees in own workforce, during period	1,090
Number of non-employee workers in own workforce - self-employed workers, during period	878
Number of non-employee workers in own workforce - workers provided by undertakings primarily engaged in employment activities, during period	184
Number of non-employee workers in own workforce - non-guaranteed hours workers, during period	28

Employee distribution by country (headcount)	2023
Czechia	6,845
Slovakia	857
Hungary	1,893
Bulgaria	2,423
Serbia	1,990

Work-life balance metrics, 2023	Male	Female	Other	Not disclosed	Total
Number of employees in headcount in reporting year	6,029	7,979	-	-	14,008
Number of employees in headcount entitled to take family-related leave in reporting year	5,953	7,811	-	-	13,763
The percentage of employees entitled to take family-related leave	99%	98%	-	-	98%
Number of employees in headcount that took family-related leave in reporting year	1,089	218	-	-	1,307
The percentage of employees that took family-related leave	18.1%	2.7%	-	-	9.3%
The percentage of entitled employees that took family-related leave	18.3%	2.8%	-	-	9.5%



# Accelerating Technology for a Sustainable Future

ESRS S4 Consumers and end-users





## ESRS S4

# Consumers and end-users

Our customers are our primary stakeholders, and their satisfaction is one of the pillars on which the Group builds its business success. As a telecommunication company, we play a critical role in supporting inclusive digital ecosystems by providing high-quality and affordable connectivity. We believe these aspects of our operations have the greatest impact on society.

Access to and the use of the Group's services and products should be a simple and transparent process. We strive for customer-centric excellence by prioritizing:

### Social inclusion & Information-related impacts

- Deploy modern and reliable networks to enable people and businesses to connect and use digital services.
- Assist vulnerable users such as children and their parents in acquiring the necessary digital literacy and skills to fully benefit from digital technology while raising awareness of the potential dangers related to the use of such technologies.
- Support access to products and services, including affordability.

### Personal safety and cybersecurity

- Process and store valuable customer information securely.
- Protect the health and safety of end-users and communities by ensuring compliance with legal exposure limits for the effects of electromagnetic radiation.

### Technology for a sustainable future

- Implement new technologies and services to enhance the customer experience
- Build digital service ecosystems.
- Develop new services and technology that address pressing social and environmental needs and can assist other sectors in achieving their sustainability objectives.

Managing impacts on our customers and users of our products and services is integral to the Group's ambition of achieving the best network and customer experience, while creating value for all stakeholders. Building robust and effective defences against rising hacking threats is paramount, as security incidents can have significant reputational and financial impacts on operators.

In this section, we outline our approach to this topic, identified as material.





# Social inclusion

## Why it matters

Digital inclusion is a crucial part of social inclusion in the digital age. It aims to bridge the digital divide by providing all people with access to and use of information and communication technologies (ICTs), including affordable mobile and internet services and digital literacy.

Providing communications services is the foundation of a telecom operator's business model, strategy and revenue stream, requiring continuous investment to meet the growing demand for services from businesses and consumers. As an EU-based operator, we support the European digital strategy in constructing secure, high-performance, sustainable digital infrastructures.

At PPF Telecom Group, we focus on improving the quality of connectivity in populated areas. In Central and Southeastern Europe, most urban and peri-urban areas are now covered by mobile networks. Connectivity in rural areas is also vital for attracting working-age populations to smaller towns and villages, enabling remote work, easing the need to commute, and providing easier access to public services.

Digital inclusion is not just about access; it also involves knowing how to use digital technologies effectively. Our digital literacy

trainings help people develop the skills needed to navigate online platforms, use software, and understand digital content.

Finally, we ensure that cost is not an obstacle to accessing technology by offering affordable options and tariffs.

## Our approach

### Policies

PPF Telecom Group operates as a holding structure, and therefore policies governing customer engagement and procedures are decentralised to reflect the inherent differences between our operations and legal frameworks. However, these policies are based on PPF Group's Code of Ethics and take into account our industry and the scope of our companies' business.

We are committed to quality, offering innovative, reliable and quality products and services at fair prices. When promoting our products, we always provide truthful, clear, useful and accurate information. Our products and services meet legal requirements and match the description in our promotional content. We are always available to address customer queries or complaints and disclose how we store and handle customer personal data. We also inform customers on how to access and correct their data.

### Engagement

PPF Telecom Group continuously improves customer engagement processes to collect and incorporate feedback, enhancing its services and range of products.

We believe that good customer service is about

meeting our customers' needs and exceeding their expectations. The Group invests in understanding its customers, their experiences, wants and needs, to deliver the experience they expect. Regular customer satisfaction surveys are conducted to gather feedback and improve the Group's services and product portfolio.

For example Yettel Serbia has been honoured with an award for customer experience. After two years of developing the new Yettel brand, the company introduced innovative services that garnered positive market and customer responses. Yettel subsequently entered the International Customer Experience Awards (iCEX23), a prestigious competition focused on customer experience. Out of 250 companies that participated in 2023, Yettel earned the bronze award in the Best Digital Customer Experience category, impressing judges with its comprehensive digital ecosystem, which includes the Yettel application and various products and services such as Yettel Friday, Yettel Shopping, Eco Bonus, and Yettel Green Tracks, as well as personalized offers for customers.

Source: <https://internationalcxaward.com/hall-of-fame>



## Independent network quality testing results

Country	2023
O2 Czechia	Several Mobile Experience Awards by OpenSignal <sup>1</sup>
O2 Slovakia	Several Mobile Experience Awards by OpenSignal <sup>2</sup>
Yettel Hungary	Several Mobile Experience Awards by OpenSignal <sup>3</sup>
Yettel Bulgaria	Umlaut award winner <sup>4</sup>
Yettel Serbia	Umlaut award winner <sup>5</sup>

[1] Source: <https://www.opensignal.com/czech-republic>

[2] Source: <https://www.opensignal.com/slovakia>

[3] Source: <https://www.opensignal.com/hungary>

[4] Source: <https://www.accenture.com/content/dam/accenture/final/accenture-com/document/Accenture-Bulgaria-Mobile-Benchmark-Cert-Umlaut.pdf>

[5] Source: <https://www.accenture.com/content/dam/accenture/final/accenture-com/document-2/202403-Accenture-Serbia-Mobile-Benchmark-Certificate.pdf>

## Customer satisfaction survey results

Country	2023
O2 Czechia	96% customer satisfaction <sup>1</sup>
O2 Slovakia	TRI*M index 80 <sup>2</sup>
Yettel Hungary	TRI*M index 83 <sup>3</sup>
Yettel Bulgaria	TRI*M index 77 <sup>3</sup>
Yettel Serbia	TRI*M index 91 <sup>3</sup>

N.B. these results were calculated using two different methods that are not directly comparable.

[1] O2 Czechia's proprietary method

[2] TRI\*M method, used since October 2023, see <https://www.kantartns-see.com/what-we-do/key-research-tools/Relationshiptrim/>

[3] TRI\*M method, see <https://www.kantartns-see.com/what-we-do/key-research-tools/Relationshiptrim/>



## Actions

### Deploy modern and reliable networks that enable people and businesses to connect and use digital services.

CETIN, the owner and operator of our mobile and fixed network infrastructure, offers wholesale services to telecommunications companies in Czechia, Slovakia, Hungary, Bulgaria, and Serbia. In 2023, CETIN's capital investment (CAPEX) reached EUR 376 million, reflecting major investments in developing state-of-the-art 5G mobile networks and expanding the fibre network in Czechia. Across CETIN's markets, we cover population of 40 million, using 14.7 thousand own sites and 18.5 thousand active points of presence.

O2 and Yettel provide telecommunication services to end users in the consumer, corporate and public segments. The rollout of 5G mobile networks is underway in markets where we hold licences, with a population coverage of 87% in Czechia, 67% Slovakia, 39% in Hungary, and 71% in Bulgaria. Yettel Serbia is still preparing for 5G roll-out pending a 5G spectrum auction.

The Group's 5G connectivity target is to cover at least 50% of the population living in the countries of our operations by 2024 and 80% by 2027. At the end of 2023, we have achieved an average of 55%. Without Serbia, where 5G spectrum isn't available yet, the Group's 5G population coverage is 66%. In urban areas, the Group aims for the network to achieve 5G connectivity speed of 250 Mbps or more, a goal we have already attained.

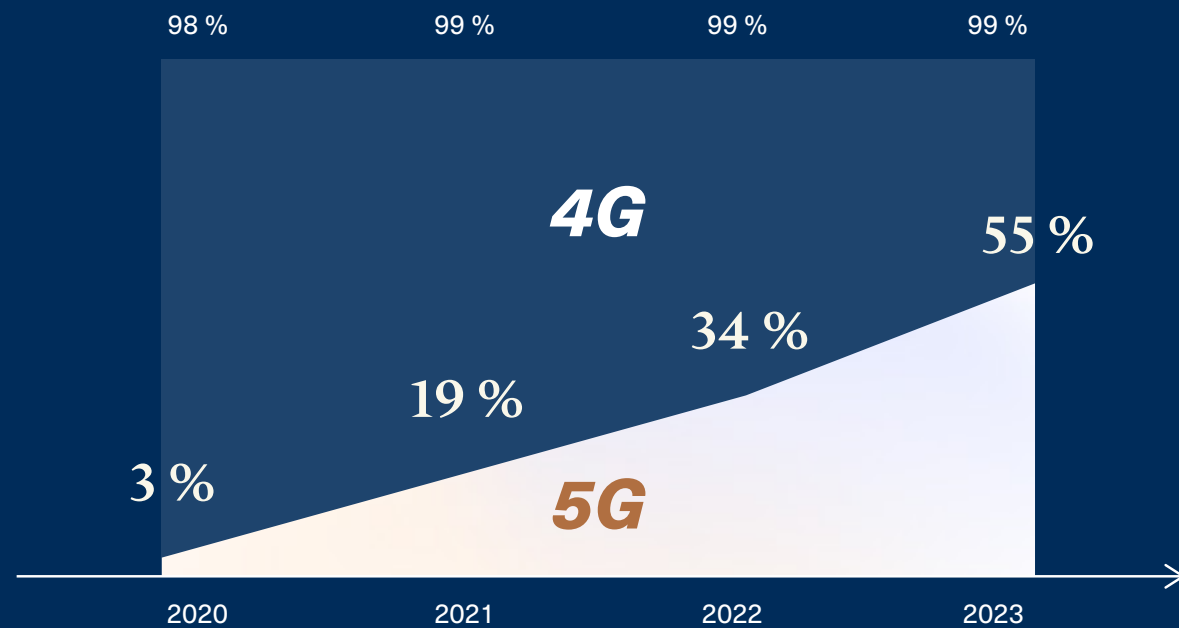




## Network coverage metrics

Subscribers (in thousands)	mobile services	fixed services
O2 Czechia	5,809	1,119
O2 Slovakia	2,303	75
Yettel Hungary	3,701	63
Yettel Bulgaria	3,235	70
Yettel Serbia	3,028	91
<b>Group total</b>	<b>18,076</b>	<b>1,417</b>

4G network coverage by country (% of population covered)	2020	2021	2022	2023
Czechia	97%	97%	98%	98%
Slovakia	97%	97%	98%	98%
Hungary	100%	100%	100%	100%
Bulgaria	97%	99%	100%	100%
Serbia	97%	97%	97%	97%
<b>Group total</b>	<b>98%</b>	<b>99%</b>	<b>99%</b>	<b>99%</b>



5G network coverage by country (% of population covered)	2020	2021	2022	2023
Czechia	13%	33%	57%	87%
Slovakia	N/A	3%	37%	67%
Hungary	N/A	5%	16%	39%
Bulgaria	N/A	49%	59%	71%
Serbia <sup>1</sup>	N/A	N/A	N/A	N/A
<b>Group total</b>	<b>3%</b>	<b>19%</b>	<b>34%</b>	<b>55%</b>

N.B. To calculate coverage, we use the figures published by the local statistical offices for total population.

[1] 5G frequency bands are not yet available in Serbia.





### Network upgrade and rural coverage at CETIN Czechia

CETIN continues to modernize the mobile network in Czechia, upgrading legacy 2G and 4G technologies and constructing a nationwide 5G network to enhance the user experience with mobile services, establish fast, ultra-high capacity 5G coverage, strengthen network security, and reduce energy demands on installed devices. CETIN is replacing aging Huawei and Nokia technologies with Ericsson solution, and as of the end of 2023, has completed upgrades at 78% out of a total of 4,200 locations.

The new transmitters are much more compact and integrate compatibility for 2G, 4G and 5G, leading to energy savings and cheaper, more environmentally friendly operations. Many settings are now software-based, allowing remote adjustments to the spectrum reserved for 4G to 5G as more devices support 5G.

As part of the project, a total of 1,565 tons of equipment, structures, and antennas were transported to the base stations. We established 1,661 new microwave connections and installed 810 new routers. Each base station required an average of 65 hours of work.

During technology upgrades, CETIN ensures minimal network outages, with existing technologies transmitting until the last moment and surrounding towers partially covering the affected locations.

The fixed network modernization programme also progressed in 2023, with focus on the rollout of fibre-to-the-home (FTTH). At the end of the year a total of 3.9 million homes had available fibre-to-the-cabinet (FTTC) access and more than 343 thousand homes were passed with CETIN's own FTTH connection, a 45% increase on the previous year. The acquisition of Nej.cz in November 2023 has added another 368 thousand homes passed with FTTH.

Our target is to pass 1.3 million homes with FTTH by 2030. The average download speed of CETIN's Czechia network improved to 289 Mbps, up from 202 Mbps in the previous year.

Despite our best efforts, tens of thousands of households still lack access to high-speed Internet, primarily in remote areas. Since 2019, CETIN has been addressing these "white spaces" by participating in public tenders. Although these contracts include subsidies to cover part of the costs, they also impose strict conditions, such deadlines for completion and minimum service operation period of seven years. We have successfully connected several thousand addresses through this programme, primarily using an FTTC network.

### The fastest 5G network at O2 Czechia

A comprehensive technology upgrade during network modernization has provided O2 customers with the fastest 5G internet on the market. This has been confirmed by the latest measurements conducted by the Czech Institute of Informatics, Robotics

and Cybernetics at the Czech Technical University. Compared to the competition, the results show nearly double the download speed and significantly shorter response times in the O2 network. Repeated comparative measurements using the Speedtest application across all operators in 5G-covered areas recorded the highest download speed on the O2 network at 932 Mbit/s, an increase from last year's 636 Mbit/s. By contrast, the maximum download speeds for two other major operators reached 593 and 391 Mbit/s, respectively.

Source: Speedtest measurements, Czech Institute of Informatics, Robotics and Cybernetics, Czech Technical University, Prague and Moravia, September 2023.



**Assist vulnerable users such as children and their parents acquiring the necessary literacy and skills to benefit from digital technology**

Key barriers to mobile internet adoption include a lack of digital literacy and skills. In alignment with our sustainable development strategy, the Group is dedicated to helping customers and their families use technology productively while staying safe online. We have partnered with leading organizations to offer expert advice on digital skilling and provide freely accessible support and training to get the most from the online world.

Our target is to train half a million people (with a focus on teachers, children and parents) in digital skills by 2025. Having trained 158 thousand people by the end of 2023, we are one third of the way towards the target.

Yettel and O2, being closest to digital technology users in the Group’s business areas, have a significant impact. Given the Group’s presence in multiple countries, we leverage local resources (e.g., educational programmes, websites, social media) and tailor initiatives according to each country’s needs.

**Smart School project at O2 Czechia**

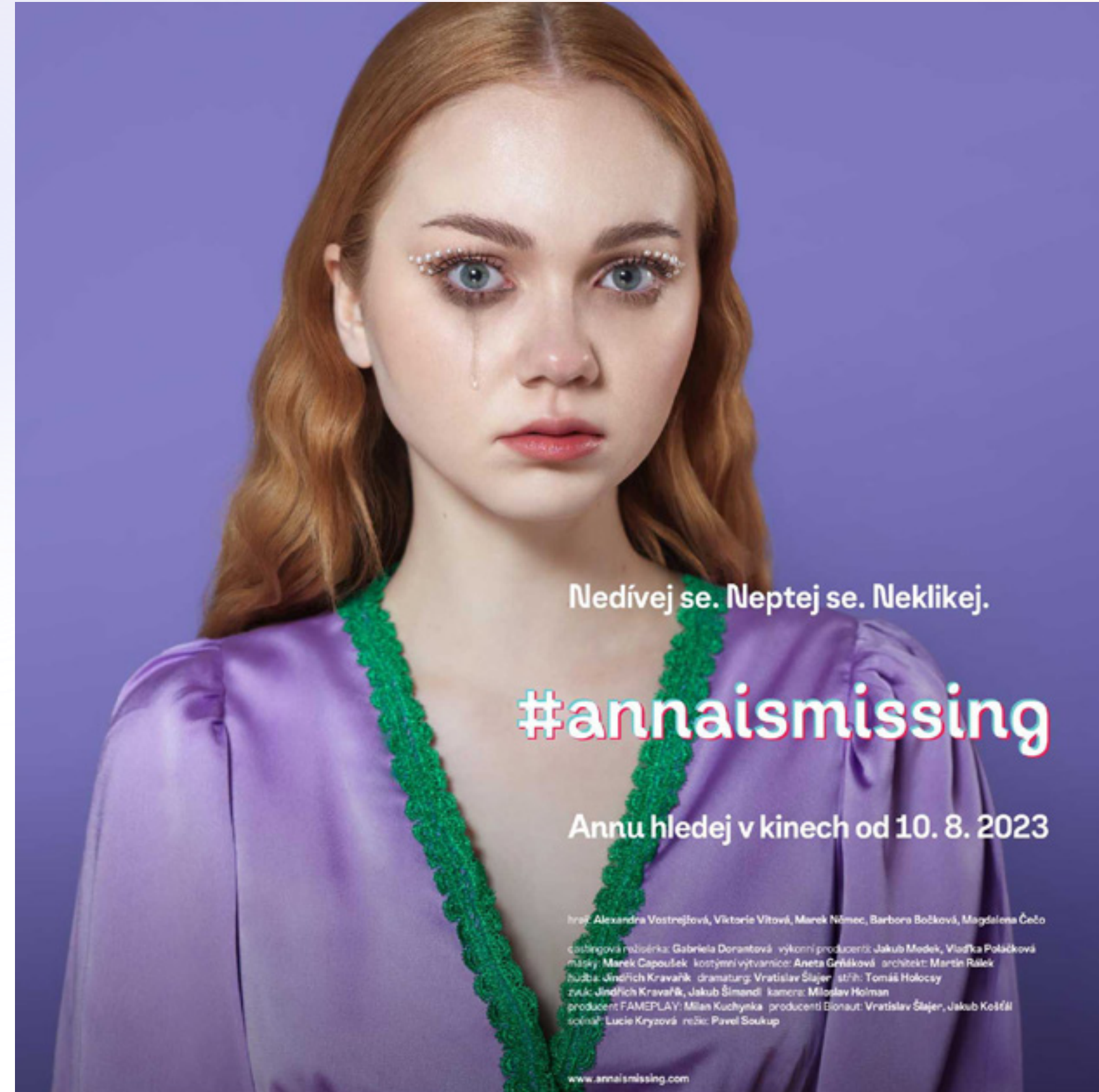
Since 2018, the O2 Smart School project has focused on helping teachers, parents and children gain a better understanding of the digital world and provide education in cybersecurity. Through the publicly accessible [www.o2chytraskola.cz](http://www.o2chytraskola.cz) portal, users can access a wide range of educational materials related to internet security, media and

computer literacy, and educational technologies. In 2023, the portal’s content was expanded to include additional topics such as AI, copyright, digital wellbeing, working with disinformation, and more. That year, the O2 Smart School portal attracted almost 48,000 visitors.

Additionally, in 2023, we conducted the research programme “Children Online – When the parent has no idea”, involving nearly 4000 children and adolescents aged 8 to 15 and almost 1000 adult respondents. The results showed that children spend an average of 3.5 hours on their mobile phones daily, with 11% spending more than 6 hours a day. The research was followed by an awareness campaign “Online violence is not visible, but it hurts me”, aimed at educating the public, primarily parents, about the hidden dangers of online violence that children can experience. The campaign emphasized that even if physical signs of violence are not visible, children can still suffer significant harm in the online space.

As part of the campaign, a film about cyberbullying, Anna is Missing, was released in cinemas. Supported by O2 Foundation, PPF Foundation and Voyo (a subscription video on demand service owned by PPF), the film was viewed by over 16,000 cinemagoers and shown to another 9000 pupils in schools. The campaign won first place at the Donor Forum Awards in the Charitable Communication Project category.

Source: [https://cenyforadarcu.cz/vitezne-organizace-2023/135/nadace-ppf-a-nadace-o2-\[1-misto\].html](https://cenyforadarcu.cz/vitezne-organizace-2023/135/nadace-ppf-a-nadace-o2-[1-misto].html)





**ProSuli digital education programme at Yettel Hungary**

Our education programme is designed to assist teachers in navigating the field of digital education and promoting the conscious use of digital tools. Since its start in 2015, ProSuli has supported more than 800 teachers in over 160 schools in developing their digital skills. Starting in 2022, the programme expanded to include sustainability and mental health training. In 2023, we integrated robotics into the ProSuli program through a Robotics Competition, where student-programmed robots performed specific tasks. The winning team advanced to the World Robot Olympiad (WRO) regional round, with an opportunity to qualify for the World Championship.

**Digital education campaigns at Yettel Bulgaria**

In 2023, we created a quiz on safe online surfing in our Digital Scouts app, which was used by almost 5000 children. SafeNet specialists created digital lessons for children from 1st to 4th grade about the dangers they might encounter on the Internet. These lessons were implemented by over 400 teachers, reaching more than 9,000 children in schools nationwide.

We conducted two social media campaigns in collaboration with influencers popular among adolescents, creating educational and entertaining content on topics such as online bullying, fake news and online dangers, reaching over 39,000 young people.

In June, we participated in youth science festival “Hello Space”. Through interactive games and installations, children and young people tested their knowledge on data privacy and online threats and their ability to differentiate between fake and genuine news. The hosts of those games were volunteers from Yettel’s Data Privacy and ESG teams.

In collaboration with the “Teach For All” foundation for equal access to quality education and its website [prepodavame.bg](http://prepodavame.bg), we also participated in the “Digital Skills in the Era of Artificial Intelligence” project. This initiative aimed to support high school teachers in engaging students through project-based learning, enabling them to showcase their knowledge and critical thinking on this contemporary topic. The project engaged over 9,000 high school students and their teachers.

**Support access to products and services, including affordability**

PPF Telecom Group is committed to providing services and technologies that support and enhance the quality of life for those in need. Our telecom operators offer discounted tariffs and devices, as well as modified phones, modems and laptops to individuals with disabilities and those facing challenging life circumstances.



#robotika

*ProSuli digital education programme at Yettel Hungary*



### Helplines at O2 Czechia

We provide a telephone line for individuals with hearing and visual impairments, enabling them to connect with others using modern technology. The service is available to all O2 services clients. In 2023, line operators processed almost 16,800 requests from more than 600 clients. Additionally, a speech transcription service is available in O2 stores for the hearing impaired, and people with visual impairments have access to selected assistance services.

We are the general partner of Safety Line helpline, accessible via a toll-free number. This line provides support to children and young people under 26 years of age and also operates a parenting line. Safety Line handles almost 100,000 contacts annually.

We also support the Seniors Line helpline. This line offers help to senior citizens and their caregivers in managing complex life situations. In 2023, the crisis intervention line received almost 20,000 calls. Since 2022, we have supported the Children's Crisis Center, which assists approximately 500 children a year and conducts up to 14,000 consultations.

### App for people with hearing impairments at Yettel Serbia

Since December 2022, Yettel Serbia in partnership with the Office for IT and eGovernment and Prime Minister's Office, has been running an innovative SOS application for people with hearing impairments. The

application allows users to initiate a video call with an interpreter from the National Interpreting Centre for Serbian Sign Language, enabling them to dial a desired phone number and have the conversation interpreted in real time. Yettel supports this initiative by providing free internet access for the application to all Yettel customers. In 2023, almost 600 people used the app.

### Digital Inclusion Fund at Yettel Hungary

Established in 2021 with the professional support of the Hungarian Red Cross and a donation of HUF 50 million from Yettel, the Digital Inclusion Fund aims to provide modern IT devices to vulnerable individuals and institutions, fostering their digital inclusion. In 2023, the number of applications reached 440, more than double the previous year. The majority of applicants were children from families living in state care and elderly individuals living alone. Refugees from Ukraine also sought devices, mainly for children to continue their Ukrainian online schooling. The initiative stands out for its substantial start-up grant and the professional backing of the Red Cross, enabling Yettel to directly assist individuals and reduce social inequality.





# Personal safety

## Why it matters

In an increasingly digitalised environment, the telecommunications industry plays a crucial role in maintaining constant connectivity for businesses and people, as well as securely processing and storing valuable customer information. It is essential for customers to trust that their data is handled securely.

Meeting regulatory requirements and addressing customer concerns about data privacy necessitates complex risk and compliance solutions. Non-compliance can lead to corporate fines and erosion of customer trust. Security incidents can also have significant reputational and financial impacts on operators, underscoring the critical need to build robust and effective defences against rising hacking threats.

Technologies such as base stations and mobile phones transmit and receive a radiofrequency electromagnetic field (RF-EMF) to facilitate communications. Ensuring the health and safety of our customers and the public is one of the Group's top priorities. Our compliance with applicable EU and national health and safety regulations is a prerequisite for safe and efficient operations.

## Our approach

### Policies

The Group and its business units maintain a comprehensive array of policies, guidelines, and training programmes. These include data breach inventory and reporting, information management policies, and procedures for managing data processing inventory. All Group's business units have ISO 27001 certified Information Security Management Systems in place.

In addition to the Group's centralized cybersecurity management, individual business units tailor their practices and policies to reflect their specific business models, geographic locations and legal requirements. The network deployment process includes an evaluation of relevant safety requirements and radiation limits in its standard project documentation. All network-related processes undergo regular audits, including internal and external ISO compliance assessments (see page XX).

The Group's operating subsidiaries adhere to laws requiring support for law enforcement and security in the countries where it operates. When necessary, the Group collaborates with national law enforcement authorities to protect individuals and the public from crime and terrorism and to safeguard critical infrastructure. The Group's legal obligations vary by country and the type of service provided. Strict policies and processes ensure that all received requests regarding security comply with applicable laws.

O2 and CETIN Czechia are also audited by the National Cybersecurity Authority, the National Security Authority, the Czech Ministry of Industry and Trade, and the Czech Telecommunications Authority.

### Engagement

By fostering a culture of awareness around cybersecurity and data protection, we ensure that our employees understand the importance of information security and data privacy. The Group has also implemented a variety of initiatives aimed at raising cybersecurity awareness among its customers.

We are transparent about how we store and handle customers' personal data, clearly informing them about how to access and correct their information.

When public concerns arise regarding the health effects of mobile technology, we address them transparently. We actively participate in industry-wide initiatives to promote open dialogue on this issue. We communicate with property owners and residents in areas where we plan to build base stations (BTS), addressing potential risks and outlining our mitigation strategies. Additionally, we engage with municipalities, local industry associations and advocacy groups regarding network deployment.



## Management System Certifications

Policies	Group	O2 Czechia	O2 Slovakia	Yettel Hungary	Yettel Bulgaria	Yettel Serbia	CETIN Czechia	CETIN Slovakia	CETIN Hungary	CETIN Bulgaria	CETIN Serbia
ISO 27001 - Information Security Management System	100%	✓	✓	✓	✓	✓	✓	since Apr 2024	✓	✓	✓
ISO 27002 - Information Security Management System	10%										
ISO 27017 - Information Security Management System for Cloud Services	10%	✓									
ISO20000-1 - Information Technology	20%	✓			✓						
ISO 27018 - Management Systems for Protecting Personal Data in Public Clouds	10%	✓									
ISO 27701 - Privacy Management System	40%				✓	✓				✓	✓
ISO 22301 - Business Continuity	30%	✓				✓					✓



## Actions

### Process and store valuable customer information safely

At PPF Telecom Group, cybersecurity and data protection are critical to the business continuity of the organization. Combating cybercrime and protecting our customers' data is a complex and multifaceted challenge. Consequently, the Group is continuously enhancing its data protection methods and increasing network resilience to cybercrime.

These efforts are overseen by the Security Board established at the Group level and led by the Head of PPF Telecom Group security. The Security Board approves the Group's security strategy and priorities, including project implementation and budget planning. Since 2020, the Group has implemented a regional security standardization programme to harmonize security tools across the organization. Internal Security Operation Centres (SOC) have been established in all business units, completed with procedures for monitoring and responding to incidents. Each business unit has dedicated cybersecurity teams, managers, and Security Directors. Security Directors report directly to the CEO. All Security Directors and cybersecurity managers are members of the Security Board.

We safeguard all stored personal data—whether customer, business partner or employee data—with appropriate security measures. The Group complies with the General Data Protection Regulation (GDPR) and the e-Privacy Directive

(Directive 2002/58/EC), which impose uniform rules and strict sector-specific rules on all market participants operating in the EU. The Group employs various processes to manage information security and privacy, effectively identify and manage risks, and protect the integrity and confidentiality of its assets and data at all times. Data protection officers and specialised security departments supervise compliance with information security and fraud protection policies across our business units. In the event of a security breach, we act swiftly to rectify the problem as soon as possible.

By fostering a culture of security in the company through training, dissemination of information about phishing campaigns, regular testing, and other social engineering techniques, we are increasing the resilience of our employees and infrastructure to a range of cyber risks. All employees are mandated to complete regular training on cybersecurity, security and privacy.

We have established mechanisms for reporting complaints, allowing anyone to contact the company through standard communication channels, such as customer helplines and forms. For our employees, a dedicated internal safety line and special procedures are available. All complaints, findings and suggestions related to cybersecurity and data protection are addressed promptly and appropriately.

The company records all data processing actions and is legally required to report any privacy breaches. Our data security guidelines include a company data processing

policy and regular privacy audits.

### Security solutions for our retail customers

Recent statistics indicate a significant increase in the number and scale of fraudulent activities on the internet and mobile networks. The most common types of fraud include malware, which encompasses a range of malicious programs, phishing attacks delivered via e-mail, or SMS or chat messages that lure individuals into clicking links that lead to unsecured pages in order to obtain sensitive data. To help our customers protect their data, we offer tailored systems for securing mobile devices, computers and corporate networks, in addition to value-added services such as security monitoring and security incident response.

O2 Czechia, Yettel Hungary, Yettel Bulgaria, and Yettel Serbia offer security products tailored to residential customers and regular internet users. Their respective products, named O2 Security, Online Protect, NetPajzs, and Safe Net, protect phones, computers and home devices from fraudulent and malware-infected websites. Because these solutions work directly on the network, they do not affect the performance of local devices.

The Group's target is to deliver data security solutions to at least 20% of the Group's applicable post-paid customers in the consumer segment by 2025. At the end of 2023, the Group had already achieved 26% penetration rate and has since raised its target to 40% by the end of 2025.

Security solution penetration	2023
Size of the applicable customer base	8,994,495
Number of active security services	2,365,550
Penetration %	26%



**Security and protection of corporate customer data at O2 Czechia**

O2 offers a comprehensive network security solution designed for corporate and institutional customers. O2 Security Expert Centre continuously monitors IT infrastructure in real time to protect businesses from cyber threats, hacking, and data leaks. Additional products to protect corporate connections include:

- O2 Next Generation Firewall – monitors and controls network traffic.
- O2 Anti DDoS – protects against DDoS and hacker attacks.
- O2 Antispam – secures email domains
- O2 Mobile Device Management – protects mobile phones and tablets
- O2 Security DNS – guards against fraudulent and malware-infected sites.
- O2 Cloud – provides infrastructure as a service (IaaS – data centres, networks and hardware), advanced backup solutions, and cyber security solutions. Its audited SOC 2<sup>1</sup> certification confirms that it is the ideal choice for running mission-critical systems or custom-developed applications. Key O2 Cloud services (O2 Virtual Data Centre, O2 Private Cloud, O2 Cyber Security, O2 Security Expert Centre) were certified during audit. This certification is not only an accolade for O2, it also enables the company’s inclusion in the list of cloud providers for state administration. O2 delivers its cloud services through the largest telecommunications network in Czechia and its own TIER III standard data centres.

**Protect the health and safety of end-users and communities by ensuring compliance with legal exposure limits for the effects of electromagnetic radiation.**

Base stations and mobile devices transmit and receive radiofrequency electromagnetic fields (RF-EMF) to facilitate communications. Research shows that the levels specified by the International Commission on Non-Ionizing Radiation Protection (ICNIRP) pose no hazard to human health from the electromagnetic fields generated by mobile technologies. These guidelines incorporate significant safety margins to ensure protection of both employees working in the field and the public.

We operate our facilities in strict accordance with the guidelines set by the ICNIRP, an independent advisory body that collaborates with the World Health Organization (WHO).

As an infrastructure provider, CETIN ensures that its active site infrastructure is designed and built to comply with the applicable electromagnetic field (EMF) emissions standards and regulations, including the internationally recognised standards of the ICNIRP. Additionally, local legislation mandates that active telecommunications infrastructure must adhere to specific operating requirements.

As the owners of spectrum licences, mobile network operators are ultimately accountable for compliance with radio frequency emissions standards and international and local regulations. The network deployment

process includes an evaluation of relevant safety requirements and radiation limits in its standard project documentation. All network-related processes are subject to audit.

The Group fully complies with the stipulated limits for new 5G devices, radio masts and small cells, as well as the EU toolbox for 5G security. This toolbox incorporates a range of security measures designed to mitigate risk effectively and ensure the deployment of secure 5G networks across Europe.

Mobile devices sold through the Group’s retail portfolio must also adhere to strict health and safety standards and regulations at both national and local levels. Before launching a mobile phone onto the market, manufacturers and importers must ensure that all relevant tests have been performed and demonstrate the device’s compliance with all limits and other requirements specified in EU directives.

[1] SOC standards, developed by the American Institute of Certified Public Accountants (AICPA), are internationally recognized audit standards for evaluating and certifying information security in cloud and other IT service providers.







# Technology for a sustainable future

## Why it matters

The telecommunications sector plays a crucial role in supporting innovative technological solutions that benefit businesses, individuals, and the environment. By leveraging technologies such as Artificial Intelligence (AI) and the Internet of Things (IoT), we can enhance the customer service experience for greater efficiency, accessibility, and customer satisfaction.

Transitioning customer services to digital platforms offers numerous benefits, including convenience, faster response times, greater accessibility, improved accuracy, and opportunities for instant feedback. For companies, this digital shift can drive service integration and cost-efficiency and generate environmental benefits. Digital customer service reduces the emissions associated with operating brick-and-mortar stores, travel, and paper-based communication, thereby contributing to environmental sustainability.

The Internet of Things has significantly impacted the telecommunications industry. The IoT is a network of physical objects—devices, vehicles, buildings and other items—embedded with sensors, software and technologies that enable them to connect with other devices and systems over the internet and exchange data. Integration of the IoT in the telecom industry is transforming how companies operate and interact with their customers, fostering a more connected and intelligent environment.

Telecom companies are also playing a key role in the development of smart cities by providing the necessary infrastructure for IoT devices to connect and communicate, enabling smart utilities, traffic management, and public safety features. As the IoT continues to evolve, it will likely bring even more changes and opportunities to the telecom sector.

## Our approach

### Policies

The Group views innovation and digital technology as pivotal to its success. Since 2023, the “Digital” agenda has been managed and governed centrally, providing an opportunity to transform our existing business model. The agenda falls under the responsibility of the Group’s Chief Commercial Officer, who reports directly to the Group’s CEO. We are coordinating a number of Group-wide activities such as developing consistent digital KPI reporting. To achieve optimal outcomes and minimize disruption, new products or service lines are first tested in one country, and if successful, are quickly rolled out across the Group.

### Engagement

Engaging with stakeholders on digital transformation is essential for the success of any digital change initiative within an organization. Our key stakeholders include customers, employees, management and any other individuals or groups that have an interest in our activities. We collect relevant information and feedback through various channels, both internal and external, including collaborations with universities and leading research institutions, to shape our strategy.





### More for customers at O2

At O2 we believe technology should enhance our humanity, not stifle it. Our mission is straightforward: we aim to make life better with great technology. From connecting our customers to their loved ones, to simplifying everyday tasks, we are dedicated to technology that helps people get more from life. Our commitment extends beyond mere gadgets:

- More connections – We help our customers connect, whenever they want.
- More possibilities – We give our customers more control, when they need it.
- More security – We shield customers from cyber threats they do not even know exist.
- More balance – We help our customers do more with technology, not more for technology.

### Connecting customers at Yettel

At Yettel, we aspire to be perceived by our customers as their “partner in the tech world”. Our motto across all Yettel subsidiaries is “Everything is Connected to You”, reflecting our commitment to prioritizing customers in everything we do. Our values are centred around providing simple, helpful, fast, and responsible customer-centric services:

- Simplicity and Intuition – We strive to make our services simple and intuitive, delivering excellent user experiences.
- Preferred Choice – We aim to be the telecom provider of choice for those who love to get the most out of technology and live stress-free lives.
- Responsibility and Care – We care about the world around us, people and nature, and are dedicated to acting responsibly in all our endeavours.



## Actions

### Implement new technologies and services to enhance the customer experience.

In 2023, we conducted a Group-wide analysis focused on digital transformation, developing strategic roadmaps to digitize customer-facing processes across all countries. Our objective is to provide seamless online access to all our products and services through a single application. We have established ambitious transformational goals for the period 2023–2025, including investments in modernizing business support systems that telecom operators rely on to manage customer interactions.

#### Radost' (Joy) at O2 Slovakia

Radost', a digital mobile operator launched by O2 Slovakia, delivers its services exclusively through a single app. This application manages all aspects of mobile service use, from ordering and activating SIM cards, monitoring data usage, to customer support via chat. Innovations such as digital ID verification and biometric facial recognition have eliminated the need for physical paperwork and in-store visits, enabling a fully digital sign-up process. This digital approach has also resulted in considerable cost savings by reducing the expenses associated with printing and document distribution. For example, we estimate that each paper-based subscriber incurs a cost of approximately EUR 1 for paper, printing and distribution.

#### New digital product at Yettel Hungary

We are currently deploying another fully

digital product in Hungary, targeting primarily younger, digital-savvy customers. This initiative aims to cater to their preference for digital communication and services.

#### Improving customer care with AI at O2 Czechia

Robotics, automation, and AI — O2 Czechia is leveraging these advanced technologies to enhance both customer and employee satisfaction. The latest innovation is the Virtual Buddy app, designed to simplify and streamline customer service. Following successful testing in 2023, the app is set for full deployment in 2024.

By integrating cutting-edge solutions such as robotic process automation (RPA) and AI, O2 is continuously refining its customer service operations and optimizing the workflows for its employees. This journey began in 2021 with the launch of the virtual assistant Eva. Eva has been progressively developed and enhanced, serving as a chatbot on the web interface, the MY O2 App, and as a voicebot on hotlines. The Virtual Buddy app, conceived as a companion to Eva, assists O2 employees in enhancing customer service efficiency. It is particularly beneficial for consultants managing customer inquiries in contact centers and expedites the onboarding process for new employees. The app ensures standardized quality of information across all channels and facilitates first-contact resolution of customer requests. In the near future, this assistant aims to directly interact with customers, significantly improving the efficiency of customer care services.

### Build digital services ecosystems.

We are focusing on developing interconnected services that meet user needs through a single, integrated experience. Our goal is to create more value for our customers by considering every step of their journey, including back-end operations and partner collaboration.

#### Additional services in Yettel's Apps at Serbia

Yettel's applications offer many additional services and features beyond mobile contract management. In Serbia, users in Belgrade can pay for public transport services through the Yettel app, while car parking payments are possible in 45 towns and municipalities. The app provides Yettel customers with real-time information about parking, bus zones and prices. Our plans include expanding parking payment capabilities through the Yettel app to cover all paid parking zones nationwide. In 2023, approximately 1.3 million people used the Yettel application every month, and this number continues to grow. Also part of the app is the Yettel Shopping discount platform, and Green Tracks, an app designed for navigating cycling and walking tracks. The Yettel application has been recognised as the best national application in the telecommunications sector on the Google App Store.

#### Additional services in Yettel's Apps at Hungary

The “Buy Now, Pay Later” model for purchases such as mobile parking, motorway tolls, lottery tickets and public transport tickets, is gaining traction with Hungarian

users. Alongside traditional bank card and mobile phone payment solutions, micro-payments initiated from mobile phones for frequent, small-amount transactions are also becoming increasingly popular. Despite its decade-long history, this service continues to grow annually at Yettel, with a 3% increase in users and a 5% rise in transactions in 2023 compared to the same period in the previous year.

In response to customer needs and extensive research, Yettel has also enhanced its mobile parking feature, integrating it into the official Yettel app. The parking process is now simpler and more user-friendly, featuring a widget that can be placed on the phone's main screen. This widget provides important information and parking functionalities without opening the app, using green, yellow and red colours to indicate whether parking is active, about to expire, or expired.

#### One hundred tourist sites – Yettel Bulgaria

Since September 2023, the initiative by the Bulgarian Tourist Union, “Explore Bulgaria – 100 National Tourist Sites”, has been digitized and made accessible through the Yettel mobile application. The National Movement encourages tourists to explore Bulgaria's mountains, natural and historical landmarks, museums and monuments by collecting digital stamps from each site. The Yettel app features profiles of all tourist sites, containing essential information for visitors. Thirty of these sites are enriched by audio stories, while ten include video narratives created by Bulgarian artists.



**Develop new services and technology that address social and environmental needs and can assist other sectors in achieving their sustainability objectives.**

We are leveraging advanced technologies, such as AI and machine learning, and providing the necessary connectivity solutions to support advancements in network technologies.

**Advancing autonomous driving with 5G-enabled cooperative intelligent transport systems (C-ITS) at O2 Czechia**

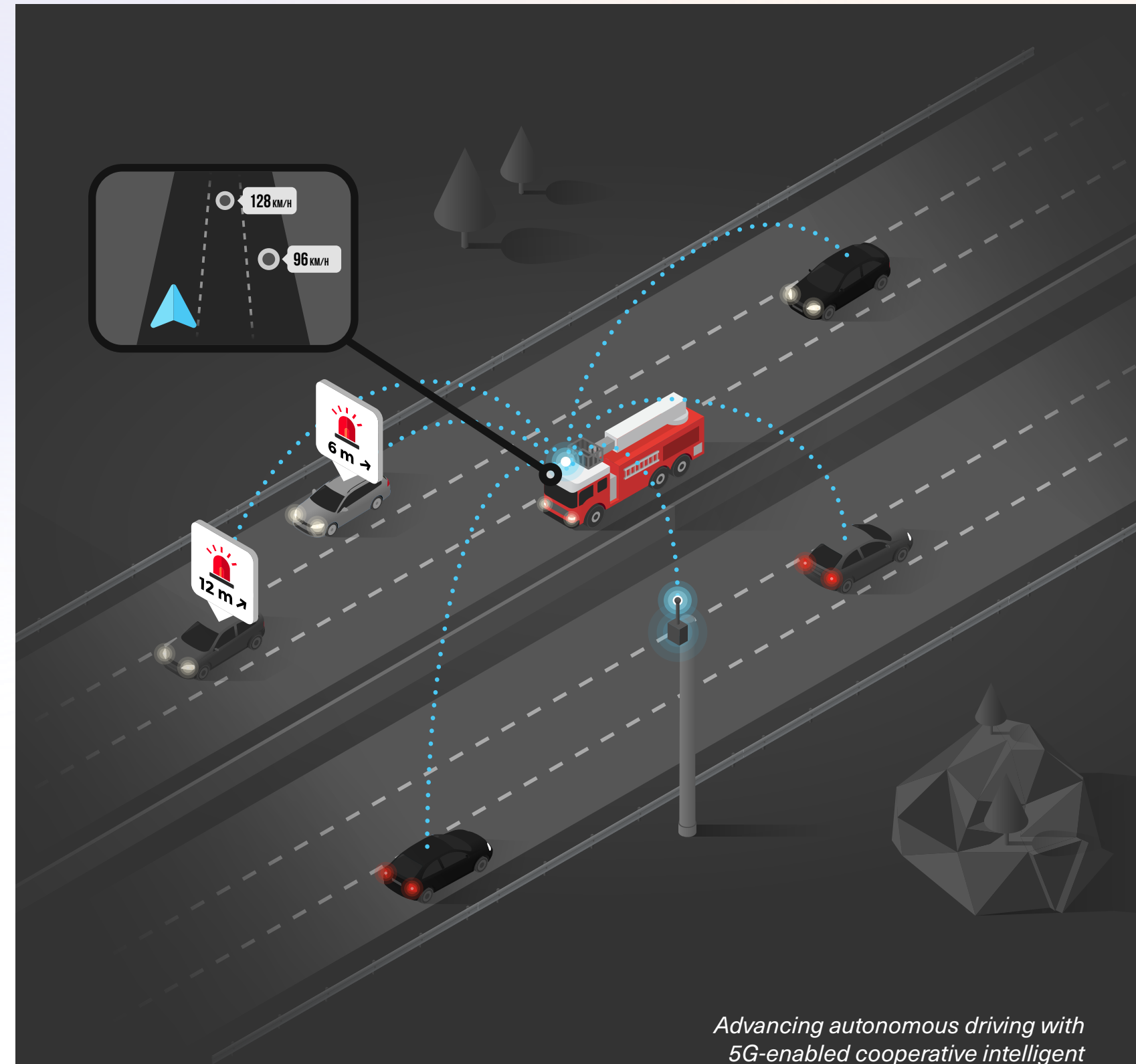
Cooperative intelligent transport systems (C-ITS) on 5G are integral to the future of autonomous driving. As part of intelligent transport systems (ITS), C-ITS comprises technologies and applications that enable effective data exchange via wireless communication. This includes vehicle-to-vehicle (V2V), vehicle-to-infrastructure (V2I), and 5G-enabled (V2X/I) communications for vulnerable road user safety applications. ITS enhances transportation safety (e.g., crash avoidance) and efficiency (e.g., navigation, green wave, priority lane access) through advanced information and communication technologies (ICT).

C-ITS systems are fully standardized and harmonised across the European Union, using the dedicated 5.9 GHz communication frequency to boost transportation safety and efficiency. Emerging 5G features will expand C-ITS services, facilitating new use cases and broader network coverage. Globally, 5G is recognized as essential for autonomous driving (CCAM) and mobility

solutions, with C-ITS playing a crucial role.

Currently, C-ITS systems expedite emergency response by creating safe passage for emergency vehicles, granting traffic light priority, and alerting other road users. Public transport benefits similarly. Some car manufacturers are already integrating C-ITS devices into vehicles, providing driver warnings via on-board infotainment systems. In the future, these warning messages will be used for vehicle control.

Czechia is a leader in the deployment of C-ITS. Under the European C-ROADS project, O2 and INTENS have implemented various applications of this technology in the cities of Brno, Ostrava and Pilsen. New generation 5G communications systems have also expanded C-ROADS applications in Pilsen and Karlovy Vary, with O2 serving as the technology partner for these innovative projects. Supported by the Ministry of Industry and Trade and the Ministry of Regional Development, these initiatives aim to demonstrate the advanced features of 5G, such as fast and secure data transmission and low latency, which are crucial for smart and autonomous mobility solutions. At the forefront of this campaign, Pilsen is developing and testing a 5G-equipped environment for autonomous mobility in Czechia. The project involves a collaboration between Škoda Transportation, INTENS, O2 and other technology partners and universities. O2 is collaborating with other Czech municipalities and Yettel operators to broaden the use of the technology across Czechia and other Group companies.

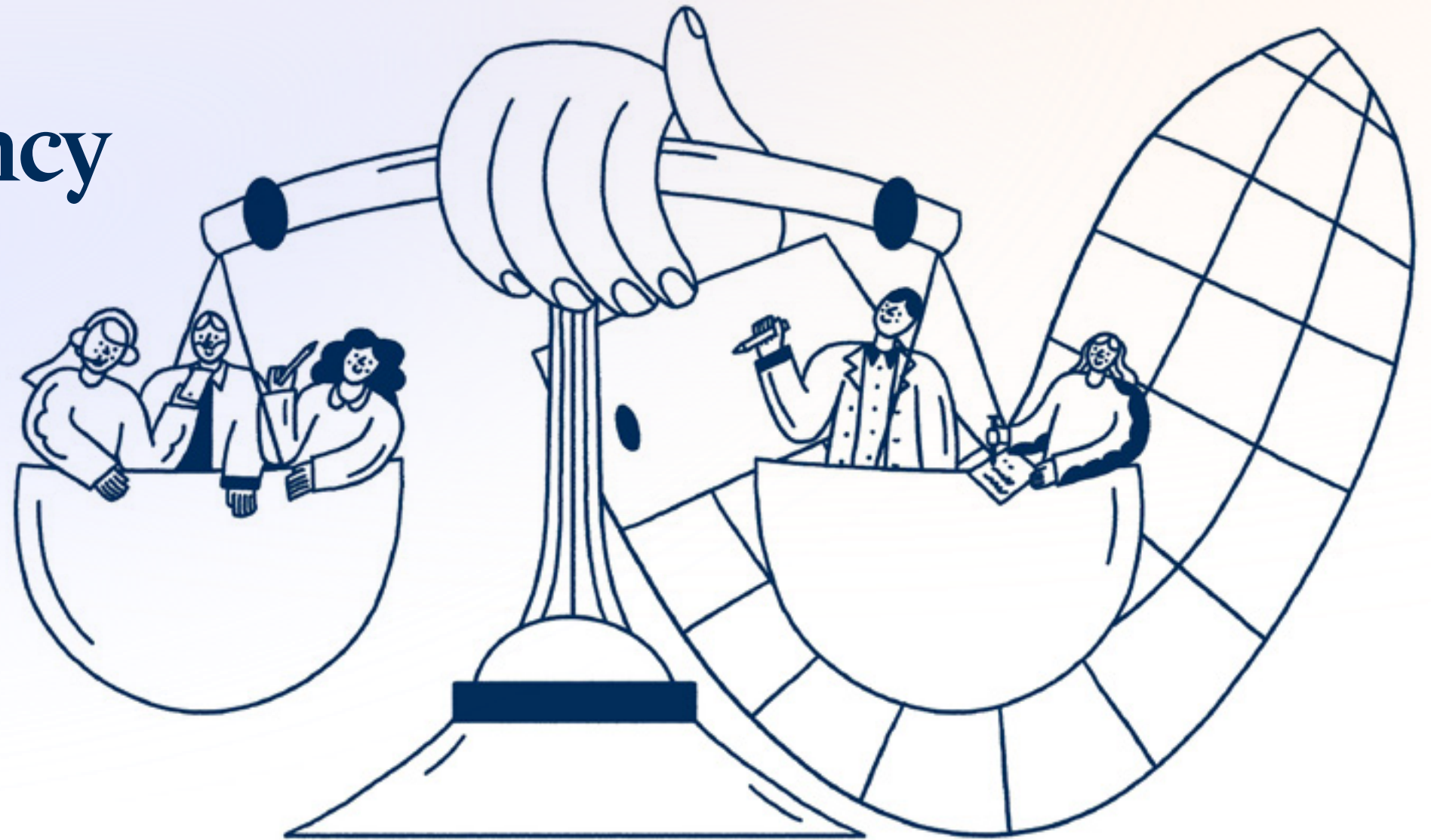


*Advancing autonomous driving with 5G-enabled cooperative intelligent transport systems at O2 Czechia*



# Acting with Transparency and Integrity

ESRS G1 Business conduct





## ESRS G1

# Business conduct

Robust and effective corporate governance is essential for our business success and our ability to fulfil sustainability commitments. Engaging with stakeholders and providing grievance mechanisms are critical to maintaining open dialogue, receiving feedback and acting on that feedback.

We are committed to eliminating illegal or unethical behaviour by our employees, associates or representatives. Such behaviour undermines political and public trust in the legal system, potentially harms human rights, and can damage the environment. Non-compliance with applicable laws and regulations can also result in significant costs for companies, including fines and reputational damage, which in turn affect operational capabilities and growth prospects.

It is not only our own operations that we must monitor; we must also be aware of the risks and responsibilities throughout the Group's supply chains. This includes safeguarding the environment and human rights. With increasing scrutiny and tightening regulatory frameworks, such as due diligence directives, the Group could face significant reputational and financial risks if we do not apply high governance standards to supply chain management.





# Business conduct policies and corporate culture

PPF Telecom Group's business stands on strong ethical foundations. Critical to its long-term success, the Group is dedicated to conducting business ethically, lawfully and with integrity across all its markets. As a trustworthy and reliable business partner, the Group also strives to improve the sustainability of its operations through transparency and accountability. By establishing robust policies and refining procedures, we ensure that the Group's practices meet not only our own expectations but also those of the Group's stakeholders.

As a part of PPF Group, PPF Telecom Group B.V. and its subsidiaries must comply with all applicable legal regulations and international treaties within their operational areas and activities, including interactions with third parties, public authorities and associates. Operating as a holding structure, PPF Telecom Group B.V. decentralizes certain policies and procedures to accommodate the diverse operations and legal frameworks of its various entities.

The principles of PPF Group's Code of Ethics (<https://etickalinka.ppf.eu/default.aspx>) are enforced at PPF Telecom Group B.V. and its subsidiaries. These principles aim to prevent corrupt practices, manage workplace safety, safeguard personal data and protect the environment during operations. PPF Telecom Group's compliance

programmes establish conduct guidelines for employees and outline procedures for identifying and addressing shortcomings and eliminating objectionable or illegal conduct.

PPF Group respects the laws of the countries in which it operates and any territories where its companies and subsidiaries are active. In all actions performed on behalf of PPF Group or for its benefit, PPF Group and its subsidiaries must respect and comply with all relevant legal regulations and standards. These companies must represent PPF Group in a manner that preserves the Group's reputation and avoids any actions that could cast doubt on its activities. Subsidiaries must act strictly in accordance with the values and rules outlined in PPF Group's Code of Ethics to prevent any harm to the Group, its name and reputation.

PPF Telecom Group B.V. strictly condemns and rejects any behaviour or activity that does not comply with applicable laws and regulations. Both PPF Telecom Group B.V. and its business partners are obliged to refrain from actions that could be considered contrary to public laws and regulations, thereby avoiding any conduct that could be classified as a criminal offence, administrative offence or infraction.





## Protection of whistle-blowers

PPF Telecom Group B.V. subsidiaries have implemented individual submission systems to facilitate whistle-blower reports. These systems include dedicated ethics email addresses and web-based forms published on the subsidiary's website, with accessibility in local languages. The Group ensures that every employee complaint is processed, regardless of its nature. External stakeholders can also raise concerns or complaints through various channels provided by the Group.

All our subsidiaries have established policies and procedures that align with local legal requirements, in accordance with national laws transposing Directive (EU) 2019/1937 or equivalent legal requirements for the protection of whistle-blowers.

Handling of complaints is managed by dedicated local teams or individuals within each subsidiary. Complainants are promptly informed of their rights and provided with guidance on where to turn if they are dissatisfied with the handling of their complaint.

## Prevention and detection of corruption or bribery

PPF Group's Code of Ethics is dedicated to preventing corrupt practices. Companies within the Group must consistently apply procedures that align with the relevant legislation adopted under the United Nations Convention against Corruption. When applying for public contracts, grants, subsidies or other support or participating in public tenders or auctions, companies must enforce robust internal rules to prevent bribery and corruption. Staff are also required to avoid any actions that could be perceived as attempts to gain an unjustified advantage or influence.

PPF Group unequivocally rejects the acceptance or offering of any unjustified advantage, performance or benefit, regardless of the form or method. Staff are obliged to report any attempts by third parties to influence their activities, attitudes or decisions inappropriately. If a staff member identifies a potential or actual corrupt act, they must report it immediately to their manager, relevant department, relevant body or member thereof,

or an authorized staff member, in accordance with the established organizational rules.

PPF Group's Code of Ethics also encompasses strict measures against money laundering and terrorist financing. The Group condemns any activities aimed at concealing the origins of profits or funds derived from illegal activities, obscuring their source or beneficial owner, or altering their nature to appear legal. The Group also rejects any activities that support or condone terrorism.

Staff must avoid all activities that could be interpreted as concealing, transferring, holding, or using goods or funds stemming from illicit activities, or creating obstacles to trace their origin. Compliance with all applicable anti-money laundering and counter-terrorism financing laws and regulations is mandatory for all staff.

In 2023, the number of convictions and the amount of fines for violation of anti-corruption and anti-bribery laws was zero.





# Management of relationships with suppliers

One of our top priorities is to enhance supply chain integrity across the entire Group. To achieve this, we selected an ESG risk management solution from IntegrityNext at the end of 2023. IntegrityNext is a cloud-based platform that enables the collection, analysis and management of sustainability data from our suppliers. The platform uses supplier assessments, critical news monitoring, and 45 ESG country and industry risk indicators to provide comprehensive supply chain monitoring. This initiative is expected to help us effectively mitigate risks and improve sustainability performance over the long term.

## Supplier risk management at PPF Telecom Group





# Salient human rights

Salient human rights are those rights most at risk of adverse impacts due to business activities and relationships. These risks can manifest across the entire value chain of a telecommunications operator, and when they arise, affect the treatment and conditions of people working in the supply chain, the treatment of the operator's employees, and the respect for customers' human rights online.

Within PPF Telecom Group's value chain, the following areas are identified as most salient, impacting both suppliers and business partners:

## Privacy and freedom of expression

Telecommunications services inevitably need to process a variety of personal customer data. Respecting consumer privacy and enabling consumers to make informed choices about the personal data we collect and how it is used are critical to maintaining consumer trust and upholding the right to privacy. Protecting this data from external attacks or (intentional or unintentional) disclosure is also an essential part of this process. Operators may also be required, under local regulations and licence obligations, to share some of this data with governments and law enforcement agencies to support public health and safety objectives.

The Group operates in countries with robust, transparent laws and processes that govern

access to communications data or restriction of services by state authorities. The Group strictly adheres to these laws and regulations.

Cybersecurity and data protection are vital to our organization's business continuity. Combatting cybercrime and safeguarding customer data is a complex and multifaceted challenge. The Group is therefore continuously working to enhance its data protection strategies and increase network resilience to cybercrime. For more information about the Group's initiatives in this area, refer to the Technology section.

## Children's rights and safety online

Children often spend considerable time online, using mobile technologies to communicate, learn and relax. However, they are more vulnerable and exposed to greater risks than adults. Children need digital skills to safeguard their privacy and reputations online, in addition to the knowledge and tools to avoid inappropriate content and potential grooming.

Mobile operators play crucial roles in mitigating these risks by providing parents and children with online safety educational tools, implementing parental control mechanisms, and supporting broader initiatives such as children's helplines. For more information about the Group's actions in this area, refer to the Technology section.

## Child labour, forced labour, modern slavery and human trafficking

The dangers associated with child labour, forced labour, modern slavery and human trafficking are relevant to activities across the wider value chain of telecommunications operators. For PPF Telecom Group, these risks primarily relate to the supply chains involved in the production of mobile equipment and infrastructure.

The Group operates in countries with robust, transparent laws and processes that aim to prevent child labour, forced labour, modern slavery and human trafficking. For more information about the Group's initiatives in this area, refer to the Supply Chain Management section.

## Other labour standards

Other labour standards include the freedom of association and the effective recognition of the right to collective bargaining. These conventions are ratified by most countries worldwide and form the basis of the four labour principles of the UN Global Compact, to which PPF Telecom Group is a signatory. The Group is also developing a due diligence strategy in accordance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

## Conflict minerals

Mobile phones and other electronics require certain metals for proper functioning. Although the Group does not directly purchase these metals, many of the products it uses or sells contain them. Several legal requirements, including the EU Conflict Minerals Regulation, which came into full effect in January 2021, specify the use of conflict minerals. The regulations ensure that the mining and use of these metals do not contribute to conflict or human rights abuses. For details about the Group's actions regarding its supply chain, refer to the Supply Chain Management section.

## Impact of infrastructure construction and maintenance on communities

During network deployment and site acquisition, telecommunications operators may encounter certain human rights challenges. Operating across many regions of Europe, the Group is required to comply with the European Union's regulations and legal requirements for network deployment. For more information about the Group's actions in this area, refer to the Technology section.

Human rights issues within the organization are managed by relevant departments and governed by specific policies such as PPF Telecom Group's Code of Ethics and DEI Policy.

## Disclaimer

The data and information in this report, which has been prepared by PPF Telecom Group B.V. and its subsidiaries (the Group) are presented for informational purposes only. Information included in this report is provided to the public for the purpose of transparency in our environmental, social and governance (ESG) initiatives. Our approach to the disclosures included in this report are different from those used in mandatory regulatory reporting.

This report does not constitute or shall not be viewed as a recommendation or solicitation of an offer to buy or sell any securities or to adopt an investment strategy. The information in this report is only as current as the date indicated and may be superseded by subsequent market events or for other reasons, and the Group assumes no obligation to update the information herein. Nothing contained herein constitutes investment, legal, tax, or other advice nor shall it be relied on to make an investment or other decision.

This report contains certain forwardlooking statements. All statements other than statements of historical or current fact included in this report, including, without limitation, those regarding the financial position, business strategy, management plans and objectives for future operations of the Group are forward-looking statements. These forward-looking statements involve known and unknown risks,

uncertainties and other factors, which may cause the Group's actual results, performance or achievements, or industry results, to be materially different from those expressed or implied by these forward-looking statements due to a variety of factors, including, among others, global sociodemographic and economic trends, climaterelated conditions and weather events, legislative and regulatory changes, and other unforeseen events or conditions. These forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group expects to operate in the future. Any forward-looking statements made by or on behalf of the Group refer only to the date of their issue. The Group does not undertake to update forward-looking statements to reflect any changes in its expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based. You should not place undue reliance on any forward-looking statement.

Certain information contained herein relating to any goals, targets, intentions, or expectations, is subject to change, and no assurance can be given that such goals targets, intentions, or expectations will be met. Statements based on hypothetical or severely adverse scenarios and assumptions should not necessarily be viewed as representative of current or actual

risk or forecasts of expected risk. While future events discussed in this report may be significant, any significance should not be read as necessarily rising to the level of materiality of the disclosures required under respective laws and regulations in particular securities law, even if we use the word "material" or "materiality" in this report in relation to those statements or in other materials that we may release from time to time in connection with the matters discussed herein.

The reported impact of initiatives provided in this report is based on internal analysis of the Group. The Group does not guarantee the accuracy, adequacy, or completeness of such information. They may also reflect the influence of external factors such as macroeconomic or industry trends. There is no guarantee that results shown will be replicated in the future or that the actual results will be better or worse in future years.