

CONNECTING
WITH
A SUSTAINABLE
FUTURE





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**PPF Telecom Group
Chief Executive Officer's
Message**



Dear Stakeholders and Friends,

I am delighted to give my support to PPF Telecom Group's sustainability strategy. I have always believed that technology has a central role in overcoming societal challenges, and that connectivity can unlock doors to quality education, job opportunities and economic growth. I see innovative technology as a tool to help tackle the challenges of the real world.

Today there is a growing urgency as a business to confront the real-world problems posed by climate change. Never before have we as a society found such a consensus on the need to address this global issue and to rigorously review our use of the planet's resources. We all must take our share of responsibility and approach these tasks with new vision, but more importantly, with action.

In the more than twenty years I have been in telecommunications, I have seen how the approach to sustainability has changed, moving from educating people about recycling and personal responsibility, now towards the environment and strategic and complex solutions that proactively protect our planet – as expected from our stakeholders.

I am therefore proud of PPF Telecom Group's achievements over the past 12 months, and the progress the company has made in its sustainability efforts. I fully endorse the organisation's inaugural sustainability report – “Connecting with a Sustainable Future.” The report draws the clear path we are on and the progress we intend to make with sustained effort.

I look forward to the opportunity to leverage our leading technologies and extraordinary talent to attain a better future for generations to come. We are in for a thrilling journey together.



Balesh Sharma

CEO
PPF Telecom Group



PPF Telecom Group
Chief Sustainability Officer's
Message



Dear Colleagues and Partners,

Connectivity has never been more integral to the daily lives of so many people. The COVID-19 pandemic has accelerated the adoption of digital technology, even by individuals and segments of the population that were previously reluctant. While embracing these opportunities, PPF Telecom Group understands the responsibilities of providing essential telecommunications infrastructure and services, and the critical role it plays in supporting economic and social development in the communities where it operates.

Despite all the external pressures we faced in 2021, our business remained resilient, and we proved our position as the leading telecommunication services provider in Central and Southeastern Europe. Thanks to the efforts of our talented and dedicated employees, and harnessing our innovative suite of technologies, we were able to meet the surge in demand for connectivity from both existing and new customers.

The European Union's "Path to the Digital Decade" [digital strategy and policy programme](#) sets out a transformational vision for the digital era, that focuses on digital skills, digital infrastructure and the digitalisation of business and public services. It is a vision that we wholeheartedly endorse.

Our investment in high-speed networks connects and empowers the economies where we operate, and we help people to obtain the skills needed to get the most benefit from the digital world. In line with EU's vision, PPF Telecom Group is working to deploy the most advanced, fast and reliable digital communications technology in both rural and urban areas. One of our top priorities is building 5G networks, which

combined with our other developments will transform the region with ultra-high capacity and uninterrupted connectivity across densely populated areas. We are setting the ambitious target of making 5G connectivity available to at least 50% of the population in the countries where we operate by 2024 and 80% by 2027. We will also continue with our efforts to improve connectivity in remote communities and bridge the digital divide between urban and rural areas.

Security and safety are issues that we know have risen to the forefront for many of our customers since the global health crisis. During that period, we saw an appreciable increase in cyberattacks, a scenario that underlined the importance of understanding online security better. As a result, we have boosted the protection afforded to businesses, government institutions and individuals who rely on secure and safe telecommunications solutions for their everyday operations.

The continuous development of digital skills and digital literacy, including raising awareness of the potential threats that any new technology may pose, is one of PPF Telecom Group's priorities. The Group is →

→ aiming to reach as many people as possible with educational campaigns, advice, information and training for anyone who feels vulnerable or in need of assistance to minimise online risks.

As we work to build a better digital future for people in our markets, it is critical that we do not lose sight of our environmental commitments. Central and Southeastern Europe are not immune to the steady deterioration of the natural environment and the risks of evolving climate change. I am proud of PPF Telecom Group's work in confronting these challenges. We have mapped our entire carbon footprint and are preparing strategies to reduce emissions across our operations – we have publicly committed to set near-term company wide emission reductions in line with climate science with the Science Based Targets initiative (SBTi) [\[2\]](#). We will use the next 12–24 months to prepare a comprehensive programme for reducing our greenhouse gas emissions in line with climate science. To be more transparent about our efforts and to benchmark and track our progress, we have also started disclosing through the CDP global disclosure system.

Our efforts also extend to reducing waste and improving our recycling processes – areas where we can play an important role. We are improving our methods of collecting, reusing and recycling, or potentially reselling, waste such as paper, plastic, cardboard, network waste and equipment. Our operations are also geared towards supporting the circular economy through eco-design, refurbishment and the reuse

and recycling of electronic equipment collected from our customers.

Across the business, our colleagues have shown ingenuity and commitment in support of our mission to provide as many people as possible with access to high-quality, affordable connectivity and digital solutions so they can live increasingly productive, healthier and safer lives. Through sustainable business practices, we are also protecting the environment. Many initiatives have been proposed and set up at the local level, and as a group, we are working towards consolidating all these efforts into a consistent strategy for sustainability and drawing on the experience and best practices of local operations.

I am confident that we have established solid foundations for transparency that address the priorities of our sustainability strategy, the main objective now being to further strengthen our capabilities and credibility as a responsible business. For PPF Telecom Group, sustainability means caring for the planet and society and improving business as a part of the solution.

Sincerely,

Marek Sláčík

Executive Director CEE
and Chief Sustainability Officer
PPF Telecom Group

“

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PPF TELECOM GROUP AT A GLANCE

PPF Telecom Group is a leading provider of telecommunications services in Central and Southeastern Europe, with companies operating in Czechia, Slovakia, Hungary, Bulgaria and Serbia. The companies are split according to two segments: end-user services and infrastructure. PPF pioneered this approach since 2015, when it first separated infrastructure ownership and operation from commercial services in Czechia. This innovative operating model has material benefits for both arms of the Group.

CETIN branches in Czechia, Hungary, Bulgaria and Serbia provide telecommunications infrastructure services on a wholesale basis on equal terms to all operators in the market. CETIN is driving digital transformation in all four countries through investments in advanced technologies and services. In Czechia, CETIN owns and operates the largest fixed network in the country, with nationwide coverage. CETIN branches in Czechia and Hungary operate radio access networks for mobile services under network sharing agreements, which improve their mobile network coverage and capacity.

The commercial arm of the Group services end-users in the consumer, corporate and public sectors under the O2 and Yettel brands. Their services include mobile voice,

data and text messaging, fixed broadband, multi-platform internet television, fixed voice lines and corporate data networks.

At the end of 2021, 18.3 million customers relied on PPF Telecom Group's mobile services, and almost a million customers used the Group's fixed broadband. In Czechia, O2 is also a leading provider of Pay TV and traditional fixed-line voice services.

The customer base is expanding and improving in all the countries where the Group operates, resulting in a major way from its long-term strategy structured around the operation of top-grade telecommunications networks and delivery of a superior customer experience. The Group's companies generate predictable cash flows that are resilient to changes in business cycles and adverse global influences, which in 2021 included the COVID-19 pandemic and related economic consequences.

At the end of 2021, PPF Telecom Group operated state-of-the-art 5G mobile networks in most of its markets. 5G services will be driving the next wave of innovation and growth for years to come. The rapid rollout of 5G networks will be accelerated by sharing the expertise and resources in CETIN Group's infrastructure division.

12,500
employees

18.3 M
active mobile
users

5
markets with
40 M
total population

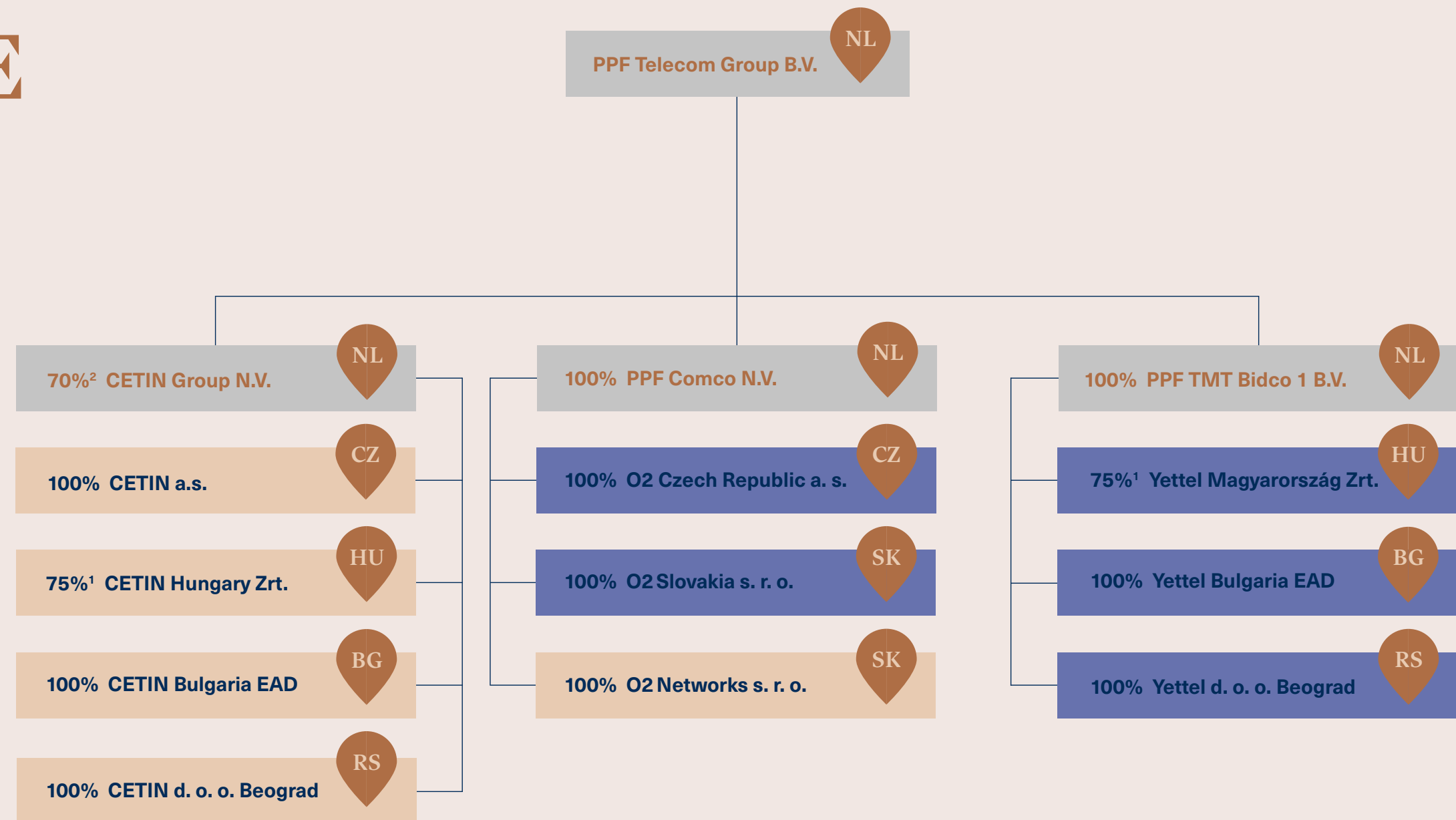
Infrastructure
open to
ALL
telco
operators

1 M
fixed
broadband
users

85,000 KM
of fibre-optic
cables

PPF TELECOM GROUP STRUCTURE

As at the date of this report



- Holding or financing company
- Operating company – wholesale infrastructure services
- Operating company – services to end-users

- NL – Netherlands
- CZ – Czechia
- SK – Slovakia
- HU – Hungary
- BG – Bulgaria
- RS – Serbia

1) 25% of the holding company TMT Hungary B.V. owned by Antenna Hungária
 2) 30% owned by Roanoke Investment Pte Ltd, a company incorporated in Singapore and an affiliate of GIC Private Limited



MARKET-LEADING POSITIONS

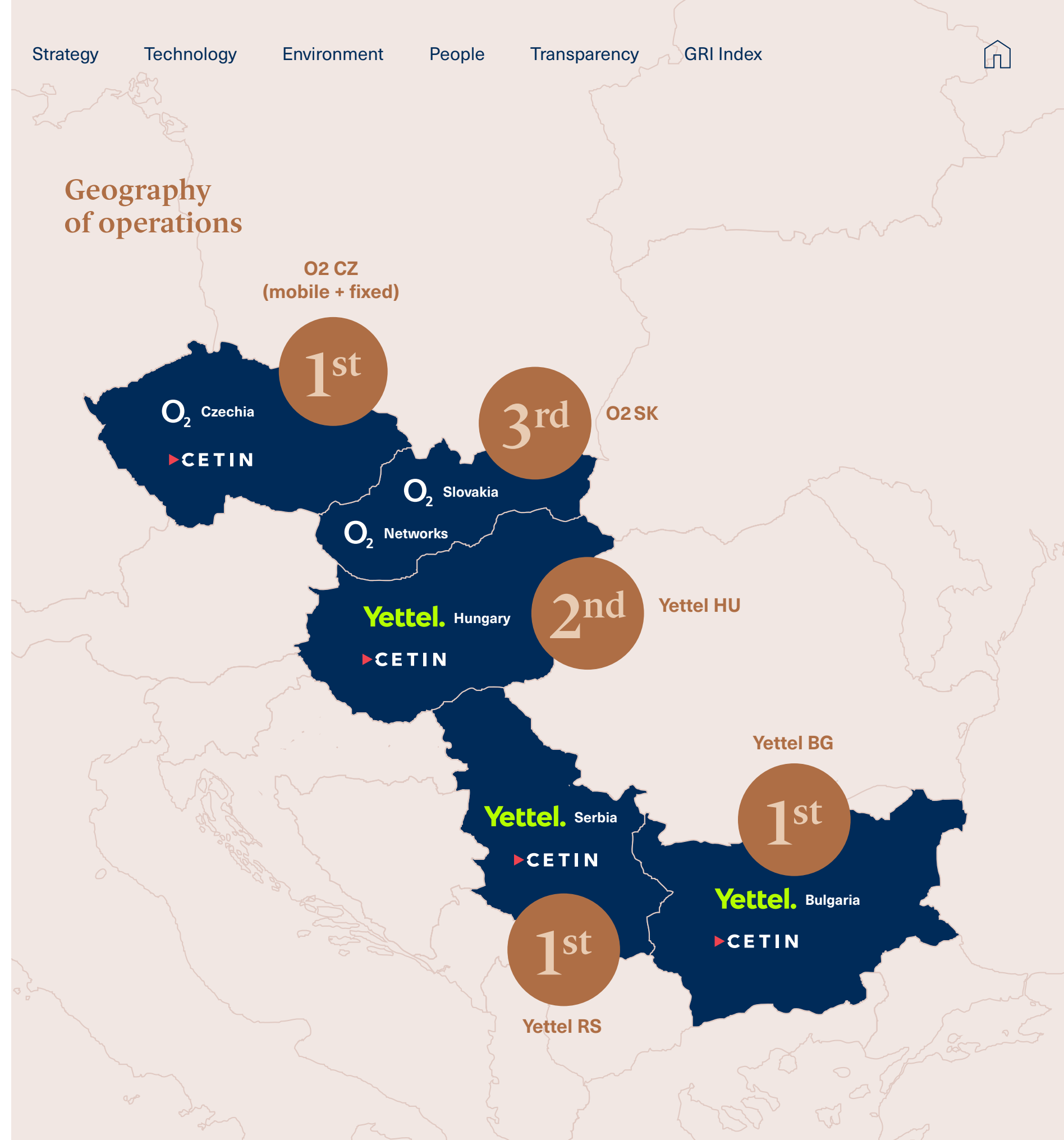
PPF Telecom Group companies operating under the O2 and Yettel brands are No. 1 or No. 2 providers in most of their markets and compete successfully with larger multinational players.

CETIN Group is the largest independent telecommunications infrastructure provider in its markets, open on a wholesale basis to all telecommunications operators.

	O2 CZ	O2 SK	Yettel HU	Yettel BG	Yettel RS
Mobile subscribers	6.0m	2.3m	3.6m	3.5m	3.0m
Mobile revenue market share	35%	27%	28%	37%	41%
Mobile market position (by service revenue)	1 ^{mobile + fixed}	3	2	1	1
Mobile network population coverage	99%	97%	100%	99%	97%
5G mobile services population coverage	33%	3%	5%	49%	-
Employees	3.8k	0.6k	1.5k	1.9k	1.6k
Stores	159	85	135	180	132

	CETIN CZ	CETIN HU	CETIN BG	CETIN RS	O2 Networks SK
Fixed lines leased to operators	1.2m	-	-	-	-
Mobile sites	4.5k	2.8k	2.7k	1.7k	1.1k
Employees	2.3k	0.2k	0.2k	0.3k	0.1k

Geography of operations



CZECH REPUBLIC

O2 Czech Republic



O2 Czech Republic is the largest fixed-mobile convergent telecommunications, mobile telecommunications, fixed voice and broadband service provider in Czechia. Its customers range from households to small, medium and large businesses. O2 is the country's largest internet provider, with 99% nationwide service

coverage. O2 is also the largest Czech fixed broadband internet and internet television broadcasting provider and one of the main players in hosting and cloud services, managed services and ICT to corporations. The company owns 5G spectrum licences and is rapidly increasing 5G service coverage across the country.



CETIN Czechia



CETIN Czechia operates and owns the largest telecommunications network in the country, with nationwide coverage. Its fixed network consists of 59,000 km of optical and 20,000,000 km of copper cables. Most of the Czech population (99.6%) has access to its network through a set of fixed and mobile technologies. CETIN is an independent

wholesale provider, offering mobile network infrastructure services, fixed network services and data services on equal terms to all corporate networks, plus data centre leasing to all telecommunications operators in the market. O2, T-Mobile and Vodafone are its anchor customers.

SLOVAKIA

O2 Slovakia



O2 Slovakia is the third largest mobile telecommunications provider in Slovakia according to service revenue. Since its launch in 2006, it has been the only growing operator in the market. Its customers include households to small, medium and large businesses. O2 offers a wide range of mobile services, including Fixed Wireless Access to broadband. O2 owns 5G spectrum licences and is rapidly increasing its 5G service coverage nationwide. The company also operates O2 TV. O2 Slovakia spun off its infrastructure assets and operations into O2 Networks in 2022 to align with the operating model of other PPF Telecom Group country operations.



HUNGARY

Yettel Hungary

Yettel.

Yettel Hungary is the second largest mobile telecommunications provider in Hungary according to service revenue, focusing especially on mobile broadband technology and delivering one of the widest and fastest 4G networks in the country. Throughout

its 27-year history, the company has focused on providing affordable mobile communications and digital services and excellent customer service. The company owns 5G spectrum licences and is rapidly increasing 5G service coverage nationwide.



CETIN Hungary

►CETIN

CETIN Hungary is the owner and operator of the country's major telecommunications network infrastructure. The company's scope of business includes network planning and operation, transmission, data centres, IT infrastructure and security services,

all offered wholesale to operators in the market. Yettel Hungary is CETIN's anchor customer. CETIN provides mobile network infrastructure as a service, enabling high quality voice and data services, including 5G.



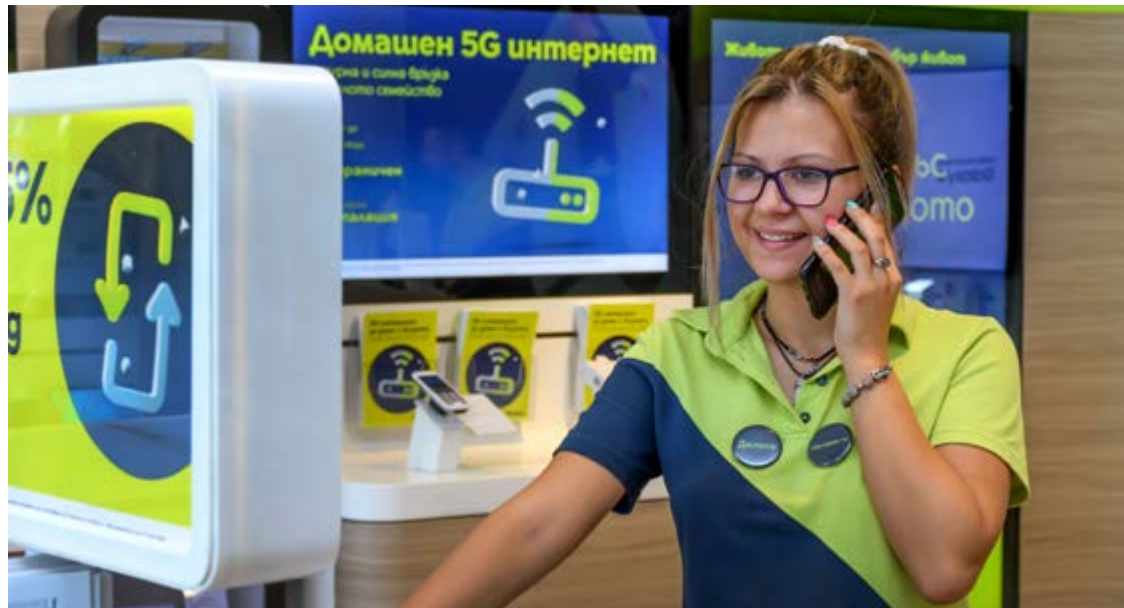
BULGARIA

Yettel Bulgaria

Yettel.

Yettel Bulgaria is the leading mobile telecommunications provider in Bulgaria according to service revenue. With a 20-year history, Yettel Bulgaria has always striven to deliver innovative solutions and superior experiences to customers. In 2002, when mobile internet was more a vision of the future, the company was the first to provide mobile data services on 2G networks (GPRS). In 2004, it was the first operator

with full coverage in the Sofia metro and offered the first integrated mobile virtual private network (MVPN) solution uniting mobile and fixed telecommunications. It was also first to introduce a service for two mobile numbers on a single SIM. In 2015, it launched the first commercial 4G network in Bulgaria, and recently, it introduced its customers to the 5G experience.



CETIN Bulgaria

► **CETIN**

CETIN Bulgaria is a leading local telecommunications and IT infrastructure solutions and services provider, owning and operating one of the largest electronic communications networks in Bulgaria. The company's excellence in planning, maintaining, operating and expanding the mobile network has resulted in five consecutive "Best in Test" awards from Umlaut, indicating a superior real user experience. CETIN Bulgaria also operates its own optical network, covering the capital city of Sofia and its surroundings.



SERBIA

Yettel Serbia

Yettel.

Yettel Serbia is the largest mobile telecommunications provider in the country according to service revenue. Yettel Serbia covers the entire population of Serbia with fast and reliable mobile services and delivers a superior customer experience. It has a rich portfolio of digital and fixed services, handsets and accessories

offered at points of sale all over the country. Since its launch in 2006, the company has committed itself to keeping up with changing customer needs and a seamless experience across all touchpoints, from its shops to digital channels. Yettel was the first operator in Serbia to launch 5G in a test environment.



CETIN Serbia

►CETIN



CETIN Serbia is the first integrated telecom infrastructure company in the Serbian market, managing valuable infrastructure of radio base stations, fibre optic cables, and data centres. The company produces tailor-made infrastructure as a service (IaaS) and end-to-end network

as a service (NaaS) for mobile operators and telehousing services, delivers connectivity solutions, leases national and international capacities and modern optical infrastructure, and provides services for security operations.

KEY MOMENTS IN PPF TELECOM GROUP'S HISTORY

2012

PPF Group assembles a team of telecommunications experts to start working on its entry to the market.

2013

PPF Group agrees to acquire a 66% stake in Telefónica O2 subsidiaries in Czechia and Slovakia.

2014

PPF Group completes the acquisition of Telefónica O2 (O2 Czech Republic and O2 Slovakia), increasing its stake to 84%.

2015

O2 Czech Republic divides into retail (O2 Czech Republic) and infrastructure (CETIN Czechia) arms, with CETIN becoming the country's largest telecommunications infrastructure operator and investing heavily into network modernisation in Czechia.

2018

PPF Group acquires telecommunication assets in Hungary, Bulgaria, Serbia and Montenegro from the Telenor Group and consolidates them under a holding company with O2 in Czechia and Slovakia.

2020

PPF Telecom Group companies prove their critical role during the COVID-19 pandemic in keeping communities properly functional. As a direct result of reliable telecommunications services, millions of people were able to continue working, studying and managing during lockdowns.

Subsidiaries in Hungary, Bulgaria and Serbia divide into retail (Yettel, formerly Telenor) and infrastructure (CETIN) arms. Together with CETIN Czechia, these form CETIN Group and open its infrastructure to all market players on equal terms.

2021

PPF Telecom Group agrees to sell a 30% stake in CETIN Group to Singapore-based sovereign wealth fund GIC Private Limited. The sale is finalised in 2022.

PPF Telecom Group divests its mobile operations in Montenegro to focus on bigger markets.

2022

PPF Telecom Group reaches 100% ownership in O2 Czech Republic and in O2 Slovakia. O2 Slovakia divides into retail (O2 Slovakia) and infrastructure (O2 Networks) arms; commercial operators in Hungary, Bulgaria and Serbia rebrand from Telenor to Yettel. The multi-divisional business model – retail and infrastructure operations – is established across all markets, and PPF Telecom Group is fully set to support further acceleration of digital transformation across the region.

HIGHLIGHTS OF 2021



Highlights of 2021

O₂

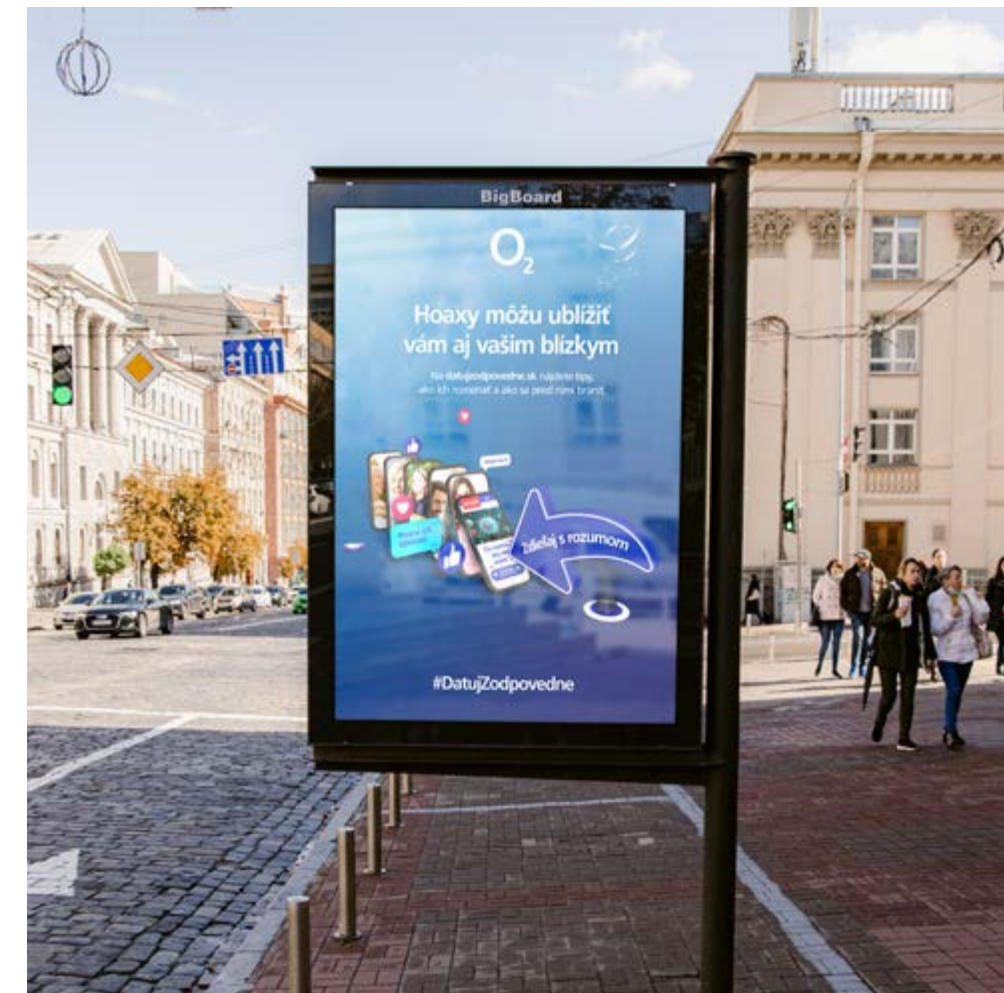
O2 Czech Republic

- **5G network** extended to nearly **60 cities** across Czechia by 2021. Customers in Prague can connect to the fastest mobile internet in most metro stations – specifically, 5G connectivity is available in 56 out of 61 metro stations.
- Continuous growth of the customer base across mobile, fixed line and TV segments driven by a new product portfolio and omnichannel execution.
- **Network security service grew 40% YoY.**
- Took over the volunteer project Sázej stromy (“Plant Trees”) and helped with planting 3,450 trees and cleaning up after logging work.
- Signed a memorandum of cooperation to make Pilsen a centre for **smart mobility** and a living laboratory for testing autonomous driving in the city by 2027. This was the first step in creating the first smart city in Czechia.
- O2 Foundation distributed CZK 4.7 million to 67 schools, with average donations of around CZK 70 thousand.



O2 Slovakia

- **5G rollout** continued.
- Plans revealed to build its own 5G network along with expansion in other locations in western Slovakia.
- Extension of communication options with customers in messaging apps.
- Successful **#BrowseResponsibly** O2 Slovakia campaign designed to teach people to recognise hoaxes and fake news. A viral deepfake video reached 5.5 million people. Educational quiz completion was rewarded with unlimited free mobile data for a day.





Highlights of 2021

Yettel.

Yettel Hungary

- Rapid **5G rollout** continued throughout the country.
- New OtthonNet home internet service launched with unlimited data and immediate availability to over one million households. Availability will be continuously rolled out as the service develops.
- New services for business customers include a **managed firewall service to enhance cybersecurity** for medium and large enterprise customers, and IrodaNet, an optical fixed-line internet service for small and medium-sized businesses (SMBs).
- Environmentally friendly SIM launched to reduce packaging waste to half and wins family-friendly company award for the first time.
- The first co-working space from a telco company, “Desk in the city”, is opened.
- Four weeks of **parental leave for fathers introduced**.
- Three out of four Yettel shops transformed into dog-friendly environments.



Yettel Bulgaria

- **“Best in Test”** awarded for network quality five times in a row and **the highest levels of customer satisfaction achieved across all channels**.
- **5G service commercially launched in June 2021, with rapidly growing coverage**.
- **Fixed-Wireless Access (FWA) service introduced**, with solid potential to compete with fixed connectivity.
- The award-winning “Side by Side” (formerly “Open Mind”) programme, established in 2016, continues to open a diverse array of professional opportunities across the country for people with different abilities.
- “Digital Scouts” initiative helped inform and educate almost 40,000 young people about safe and responsible internet usage.



Yettel Serbia

- **“Best in Test”** awarded for network quality for the fourth time in a row by independent international technology company UMLAUT.
- **Fixed market entered** by launching Hipernet, a broadband internet, **digital TV**, and fixed telephony service for households.
- **All-time highest Net Promoter Score (NPS)** achieved, increasing the gap to the next competitor by 15 points.
- **Over 200,000 mobile phones recycled** by December 2021.
- More than RSD 3 million distributed to projects by Yettel foundation.
- New project in cooperation with UNICEF launched – “Bridging the Digital Divide in Serbia for the Most Vulnerable Children,” – to ensure greater access to education at 30 schools. Yettel’s donation, which consisted of 2,200 internet cards and 310 modems, will enable distance learning, regardless of the location and conditions students live in.





Highlights of 2021

▶ CETIN



CETIN Czechia

- Extensive **5G rollout** underway.
- In May 2021, CETIN Czechia passed a milestone by **connecting its millionth mass-market broadband customer** to its network.
- Fiber to the Home (FTTH) network footprint surpassed 100 thousand households in 2021.
- Complete transition from the legacy public switched telephone network (PSTN) network to Multi-Service Access Nodes (MSANs) in August 2021, **saving almost 20 GWh yearly**.
- New **symmetrical broadband tariff options** introduced: **250/250 Mbits, 500/500 Mbits and 1000/500 Mbits** available from March 2022 over CETIN FTTH network for all partner operators.
- **Successfully re-certified the ISO 14001 Environmental management system and ISO 50001 Energy management system.**
- Participated in REMA System's Green company project for collecting and recycling electric and electronic waste.
- Improvements in energy management by consolidating space and technology and replacing cooling and power supply backup technology.
- CETIN Wellbeing Programme launched, focused on the physical and mental health of employees.

CETIN Hungary

- Extensive **5G rollout**.
- Started an extensive network modernisation plan including radio, transport and IP with capacity upgrades and new fiber-optic links.
- **Ookla's Speedtest** Intelligence revealed that Yettel and its mobile network infrastructure provided by CETIN Hungary is the **fastest mobile operator** among top providers in Hungary in the fourth quarter of 2021.
- **Security Operation Centre** established as a key asset in expanding information security services to customers.
- **CETIN became Hungary's critical infrastructure Operator.**
- Energy efficiency increased.
- **ISO 14001 Environmental Management System** launched.
- CETIN Wellbeing Programme launched, focused on the physical and mental health of employees.



CETIN Bulgaria

- Extensive **5G rollout** across the country.
- **Fixed Wireless Access (FWA)** service launched and offered by Yettel Bulgaria.
- **Acquisition** and integration of Sofia Communication and Racom B2B operators in Sofia.
- Network Operation Centre targeted fresh graduates with an **internship programme** offering professional development. In 2021, more than **80% remained CETIN employees** in various engineering positions.
- CETIN Wellbeing Programme launched, focused on the physical and mental health of employees.
- In 2021, six participants enrolled in the Side-by-Side professional development programme for people with special needs. The programme included assistance from a personal mentor recruited from our employees.

CETIN Serbia

- **Best overall network performance** in Serbia for the fifth time in a row, based on assessment by the independent **UMLAUT** network.
- Major modernisation of the IP transport network.
- **Distributed Denial-of-Service (DDoS) protection improved with a new solution.**
- CETIN Wellbeing Programme launched, focused on the physical and mental health of employees.
- Donations to organizations helping vulnerable people (e.g. National Association of Parents of Children with Cancer, homes for persons with special needs, homes for children with special needs).

ECONOMIC PERFORMANCE AND VALUE CREATION

The Group's strategy is based on high quality connectivity and superior customer service that translates into long-term value creation. Our organic growth is supplemented by bolt-on acquisitions that create value and complement our business model.

We also recognise that our performance encompasses the Group's wider impact beyond merely a bottom line. In 2021, we worked hard to minimise the impact of the COVID-19 pandemic on the Group's results and the lives of the communities where we operate. Our philanthropic activities continued, and we donated over CZK 81 million to charitable causes. To support our growth, we increased our number of employees by around 300.

The value of our mobile phone customer base increased with a sustained demand for mobile data, as did the fixed connectivity segment. The portfolio of business customers who use our infrastructure services also increased and diversified. The Group delivered sound operational

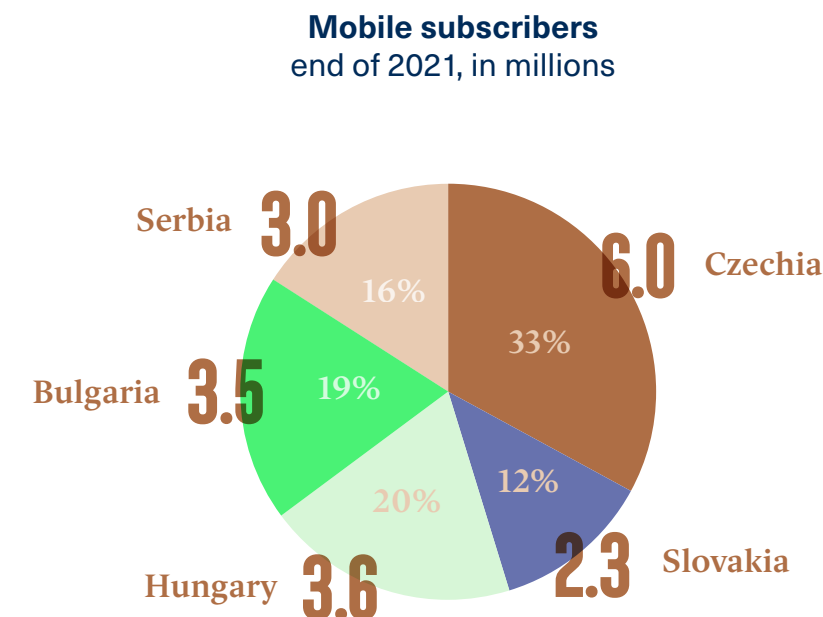
and financial performance, which allowed continued investment into developing our telecommunications assets.

As of 31 December 2021, the Group's subsidiaries served a 18.3 million active mobile subscribers, up by 1.9% on a like-for-like basis¹ compared to 2020, with the share of contract customers (excluding machine-to-machine²) reaching 68% of all subscribers, thus driving higher average revenue per user (ARPU).

The Group had 967 thousand fixed broadband customers at the end of 2021, up by 5.6% compared to the previous year, with more than 90% of these customers in Czechia.



GROWING A MOBILE SUBSCRIBER BASE IN ALL COUNTRIES



1) Excluding Telenor Montenegro, divested in December 2021.

2) Machine-to-machine are contracts for SIM cards used by appliances and other autonomous devices, characterised by low volumes of transmitted data and correspondingly low ARPU.

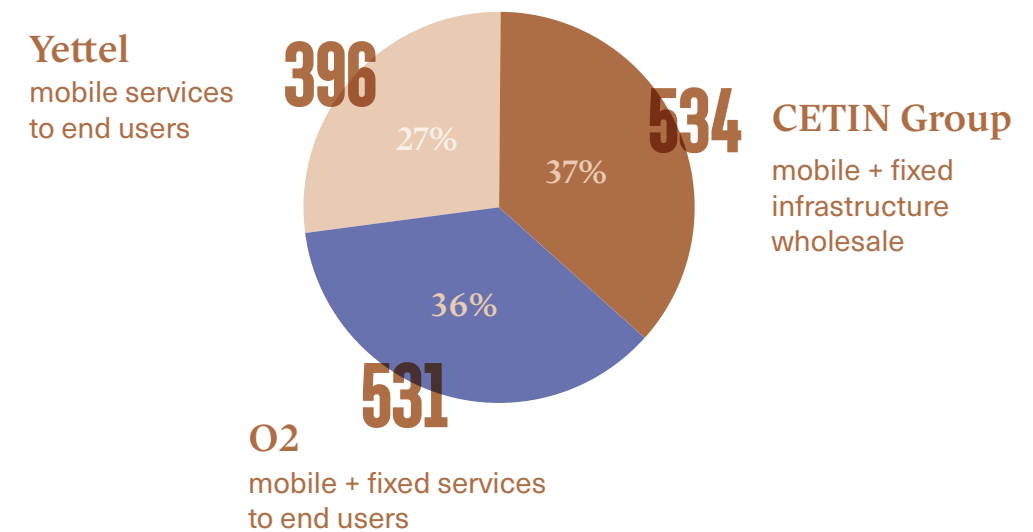
Economic performance and value creation

The solid performance achieved in 2021 bolstered the Group's position as the leading telecommunications services provider in Central and Southeastern Europe, with all subsidiaries maintaining their respective leadership. Provided that the competitive landscape remains relatively stable and predictable in the near future, the Group is well positioned for continued sustainable growth.

The Group's consolidated revenues increased 5.6% year-on-year, driven by the monetisation of continued demand for mobile data consumption and roaming revenues returning to pre-COVID levels. Operating profit before interest, tax, depreciation and amortisation (EBITDA) grew by 10% year-on-year, driven mainly by the rebounding demand for telecommunications services amid weaker 2020 earnings from roaming. All subsidiaries contributed positively to this growth. Roughly one third of EBITDA was delivered by our infrastructure operator CETIN, while O2 and Yettel (formerly Telenor) commercial operators delivered the other two thirds. The Group's continued focus on operational efficiency and savings also contributed to the solid EBITDA result.

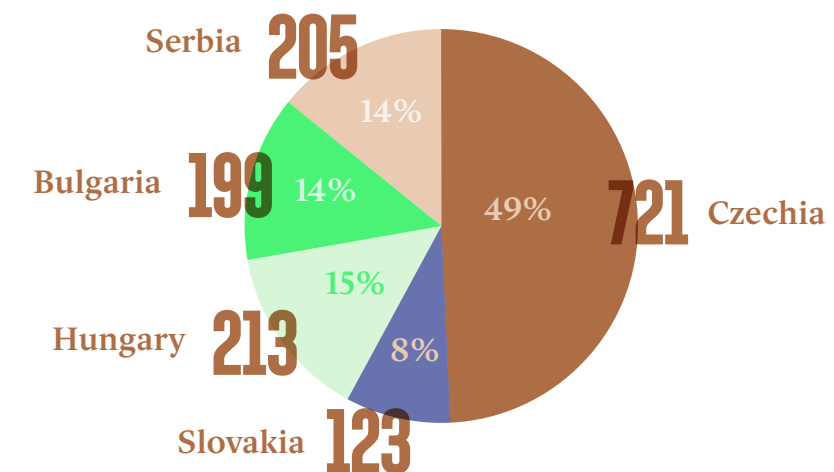
BALANCED CONTRIBUTION FROM DIFFERENT BUSINESSES

EBITDAaL 2021, in EUR mil. FY 2021



REGIONALLY BALANCED PORTFOLIO

EBITDAaL 2021, in EUR mil. FY 2021



Economic performance and value creation

EUR 520M
invested
in 5G
infrastructure
rollout

Despite the pandemic, the Group continued its investment programme, investing EUR 520 million in 2021 in additional infrastructure modernisation to lay the groundwork for long-term growth and profitability. The main investment projects supported the rollout of 5G mobile networks and upgrades to associated network infrastructure in all countries of operation. Besides 5G services, O2 continued to invest in content rights for its leading IPTV (Internet Protocol television) platform and upgrading its IT systems. CETIN (Czechia continued to accelerate the rollout of fibre in the national broadband network to deliver on its commitment to deploy Fiber to the Home (FTTH) to 1 million households. In 2021, the Group acquired 5G spectrum licences in Bulgaria, plus renewed frequency bands in Czechia and Bulgaria. In Hungary, the Group obtained a renewal of its core frequency licences for 2023 onwards.

The Group's strong top-line growth, which focused on operational efficiencies and robust cash management, allowed the conversion of almost 50% of the Group's EBITDA into free cash flows³, closing the year with a solid liquidity of EUR 628 million.

In 2021, the Group generated a total of EUR 3.4bn of direct economic value.

79% (EUR 2.7BN) of this value was distributed, mainly to suppliers of services and goods and employees.

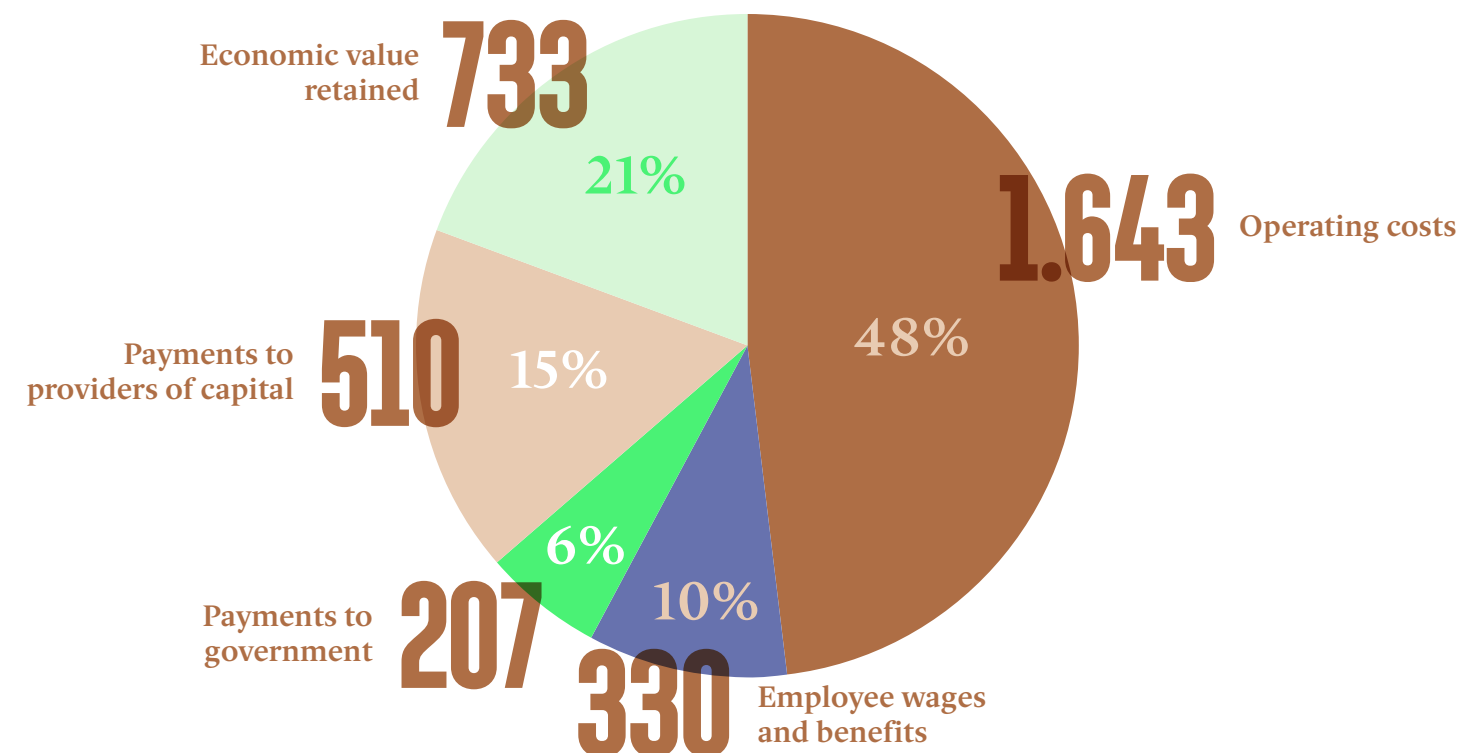
21% (EUR 0.7BN) was retained and reinvested in the development of the Group's assets.

EUR 3.4BN DIRECT ECONOMIC VALUE GENERATED

Looking ahead

The Group aims to deliver steady and sustainable organic revenue growth by making sure the fundamentals are right – driven by trust from our customers and in delivering the value they recognise and appreciate. Taking advantage of its diversity, the Group will continue building on the strengths of its individual subsidiaries and focus on sharing best practices in retail and operations, procurement and management. Synergies and efficiencies for reinvestment into telecommunications infrastructure, licences, products and services will be created to sustain our leading market position.

Distribution of value
FY 2021



³) Free cash flows are cash flows from operating activities less cash used in investment activities.

The Group's Mission and Sustainability

STRATEGY

We are reshaping the world through the power of our innovative and reliable solutions. We are always looking ahead, equipped with strategic goals, to prepare for numerous challenges. Protection of the environment, equitable and safe connectivity, and the wellbeing of our employees and communities are an important parts of our outlook and prerequisites for the sustainability of our business.



IDENTIFYING IMPORTANT ISSUES THROUGH THE VALUE CHAIN

Materiality analysis

Materiality is the principle that determines the issues crucial to our reporting. Based on the GRI Sustainability Reporting Standards (GRI Standards) and its reporting principles for defining report content (stakeholder inclusiveness, sustainability context, materiality, and completeness), the Group undertook a comprehensive strategic review and conducted a materiality analysis.

In 2021, the assessment process began and included in-depth research and engagement with key stakeholders, employees, internal leaders, our lenders and professional advisors. A broad range of views and opinions on the issues relevant to the business were considered in the context of how they formed our business planning and development. This allowed us to identify the most material topics in environmental, social and governance areas.

Description of our assessment process:

- In the telecommunications sector, the Group's peers were evaluated to gain insight into the material issues identified by other sustainability reports.
- Key materiality topics specific to our industry were sourced from relevant ESG frameworks.
- Qualitative and quantitative data were gathered for this assessment throughout 2021 and the first six months of 2022.
- Surveys of our key stakeholders, including interviews with senior PPF Telecom Group colleagues who represent key stakeholder groups and participate in wider industry collaboration, were conducted in addition to a range of other surveys, reports and studies.
- Issues that matter most to each of our key stakeholder groups were explored.
- The impact of each issue on our business based on the potential risks and opportunities were considered.
- The results were applied to inform our strategy and reporting.

The results of this assessment were evaluated and validated by PPF Telecom Group's management team.

The analysis led to identifying **10 material topics** where PPF Telecom Group focuses its sustainability strategy, included in this report.



Technology for a sustainable future

services and products addressing social and environmental challenges



Cyber security, digital and personal data protection

safeguarding the privacy of customer data and resilience of our networks against cyberattack and cyberfraud



Energy efficiency and climate change

reducing greenhouse gas emissions and the release of other harmful substances into the atmosphere



Waste management and circular economy

managing input materials and reducing waste generated by our operations, supporting the circular economy



Employment and employee development

Creating an equitable, diverse, and inclusive working environment, safeguarding the health, safety, and wellbeing of our employees



Customer relationship management

understanding our customers, their needs and desires to deliver the experiences they expect



Network deployment

assessing the impact of our operations on affected communities, keeping these communities informed, and maintaining open dialogue, specifically about the effects of electromagnetic fields



Communities and social action

supporting local communities with donations and active participation



Supply chain management

responsible and sustainable sourcing



Business conduct and ethics

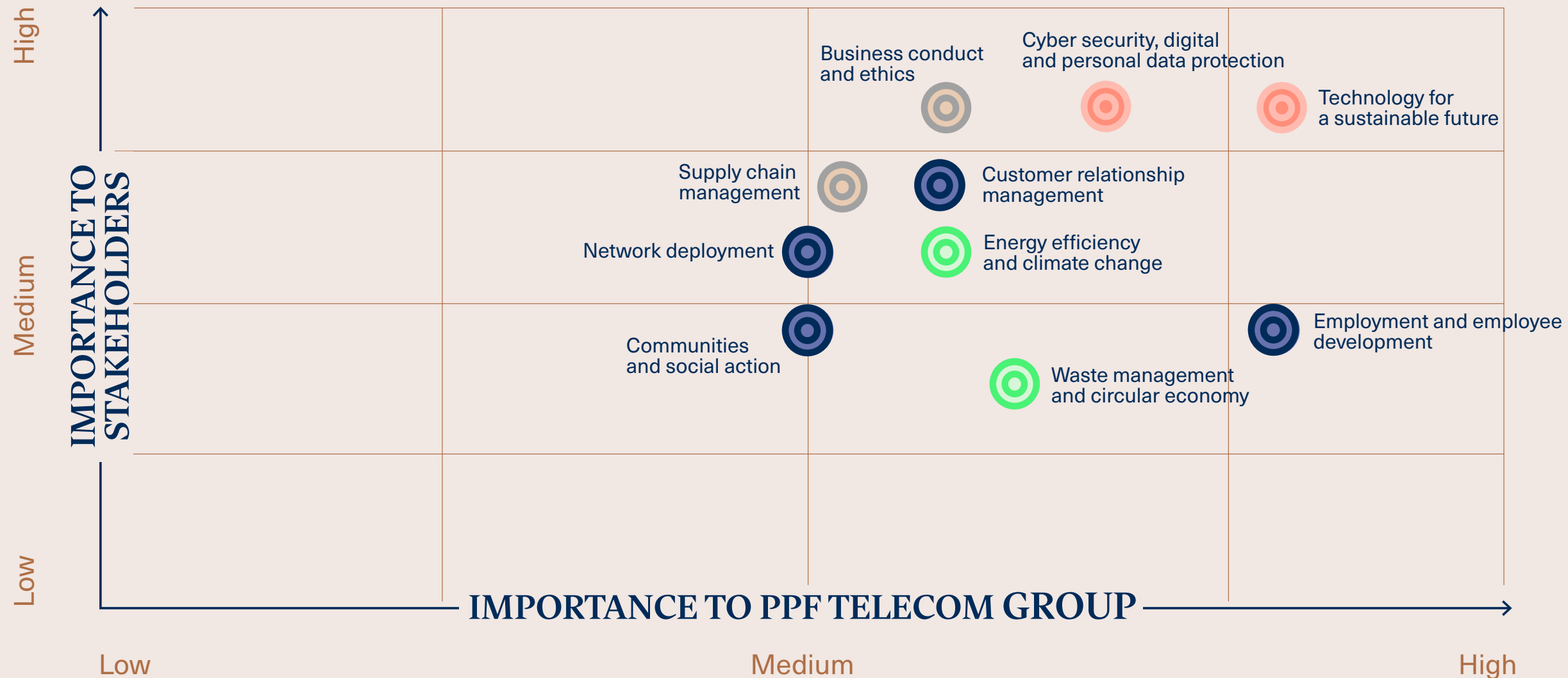
acting with integrity and transparency



Identifying important issues through the value chain

The materiality map presents the relative importance of these results. The horizontal axis indicates the significance of PPF Telecom Group's economic, environmental and social impact. The vertical axis represents the influence of the topics on stakeholder assessments and decision-making.

PPF Telecom Group is pro-actively looking at risks and opportunities, and it is likely that new topics will emerge and gain significance over time. The Group will therefore reassess the stakeholder materiality matrix accordingly.



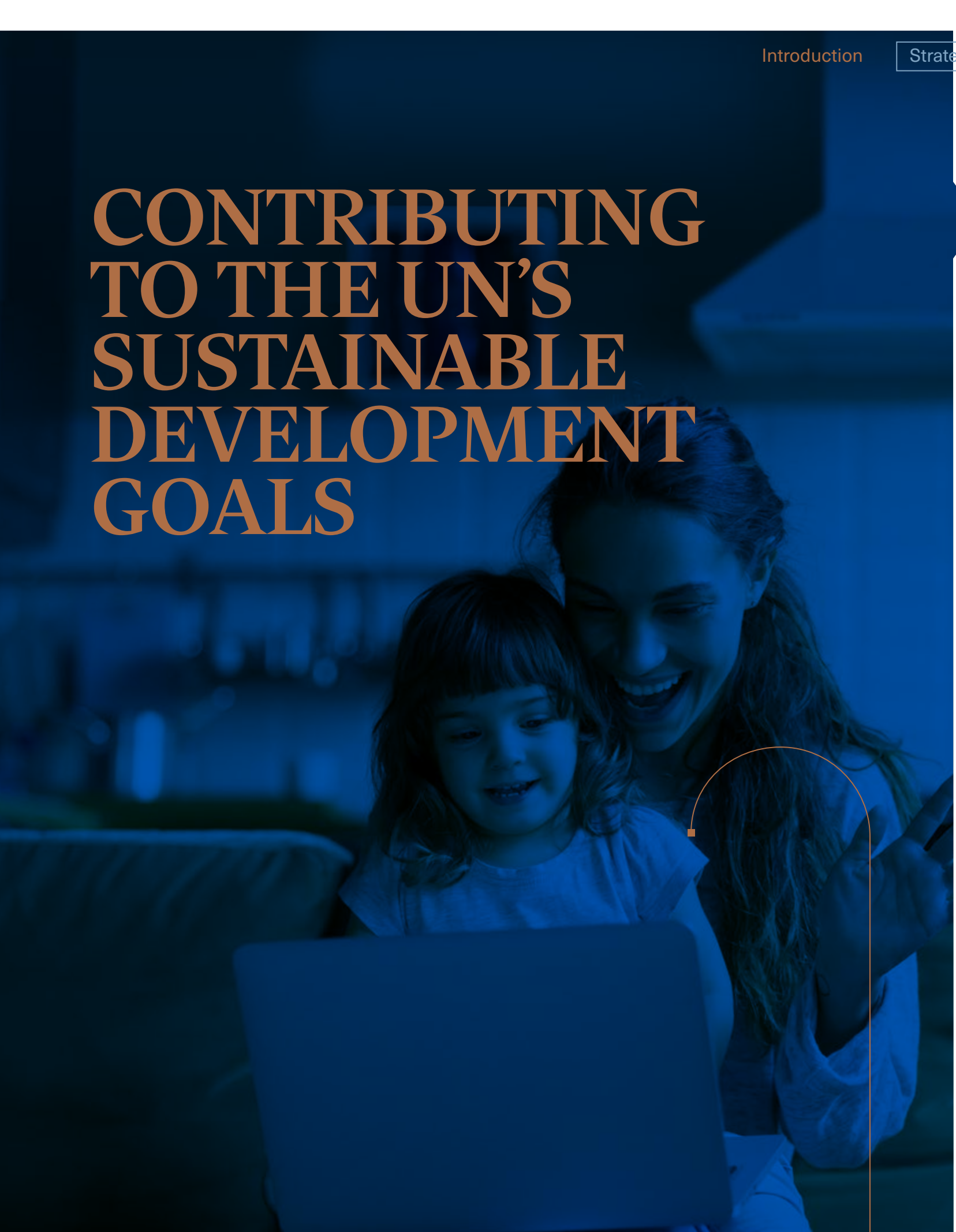


CONTRIBUTING TO THE UN'S SUSTAINABLE DEVELOPMENT GOALS

The UN's Sustainable Development Goals (SDGs) are a universal call to action to end poverty, protect the planet and improve the lives and prospects of everyone, everywhere. The 17 Goals were adopted by all UN Member States in 2015 under the 2030 Agenda for Sustainable Development [↗](#), which specifies a 15-year plan to achieve its goals.

These goals are a combination of actions that lay the groundwork for sustainable development and responsible consumption and production to ensure all human beings benefit from economic, social and technological progress while tackling climate change and working to preserve the world's oceans and forests.

We have identified the Group's priorities in the materiality matrix and their impact on the different objectives of the Global Agenda. From a long-term perspective, PPF Telecom Group is aware of its potential contribution in achieving the following SDGs.





OVERVIEW OF PPF TELECOM GROUP



ENSURE INCLUSIVE AND EQUITABLE QUALITY EDUCATION AND PROMOTE LIFELONG LEARNING OPPORTUNITIES FOR ALL

OUR CONTRIBUTION:

Through telecommunications and information technology, the Group supports universal and digital literacy and numeracy. We hope to contribute to increasing the number of youth and adults who have the relevant skills, including information and communication (ICT) skills. We also help employees learn about sustainability issues through targeted campaigns and education.



ACHIEVE GENDER EQUALITY AND EMPOWER ALL WOMEN AND GIRLS

OUR CONTRIBUTION:

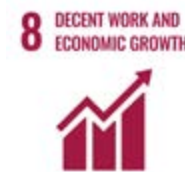
In our everyday operations the Group promotes equality and non-discrimination on the basis of sex, and encourages equal opportunities for leadership. The Group also enhances the use of information and communication technology to promote the empowerment of women.



ENSURE ACCESS TO AFFORDABLE, RELIABLE, SUSTAINABLE AND MODERN ENERGY FOR ALL

OUR CONTRIBUTION:

Deployment and expansion of more energy efficient telecommunications technologies and increased use of renewable energy in the Group's operations enables the transition to sustainable and affordable energy.



PROMOTE SUSTAINED, INCLUSIVE, AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT, AND DECENT WORK FOR ALL

OUR CONTRIBUTION:

The Group's technologies, products, and solutions support the goal of achieving higher levels of economic productivity, while protecting labour rights and promoting safe and secure working environments.



INNOVATION AND TECHNOLOGICAL PROGRESS AS KEY TO FINDING LASTING SOLUTIONS TO BOTH ECONOMIC AND ENVIRONMENTAL CHALLENGES

OUR CONTRIBUTION:

The Group builds and develops quality, reliable and sustainable telecommunications infrastructure to support economic development and human well-being. Moreover, we focus on upgrading the technological capabilities of our infrastructure to help improve access to information and affordable internet.



SUSTAINABLE CITIES AND COMMUNITIES - MAKE CITIES AND HUMAN SETTLEMENTS INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE

OUR CONTRIBUTION:

The Group's solutions support positive economic and social links between urban, peri-urban and rural areas, helping to bridge the digital divide that might exist.



ENSURE SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS

OUR CONTRIBUTION:

The Group encourages sustainable management and efficient use of natural resources through the introduction of waste management systems, responsible recycling and refurbishing in its businesses. Where possible, eco-design products are supported and introduced, and non-hazardous chemicals are used in our infrastructure and services to lower the overall impact on human health and the environment.



TAKE URGENT ACTIONS TO COMBAT CLIMATE CHANGE AND ITS IMPACTS

OUR CONTRIBUTION:

The Group supports sustainable management of natural resources across its business units through the introduction of environmental management, recycling and waste reduction strategies, thereby helping to improve human health and environmental sustainability.



MISSION AND STRATEGY

Mission

PPF Telecom Group's mission is to provide as many people as possible with access to high-quality, affordable connectivity and digital solutions so they can live increasingly productive, healthier and safer lives. Through sustainable business practices, we are also protecting the environment.

Ambition

Our ambition is to be the leading telecommunications services provider in Central and Southeastern Europe (CEE). The Group's performance is driven by three strategic success principles:

The Best Network

The Best Customer Experience

The Best Performance

Sustainability strategy

The Group's sustainability strategy is paired with integration of the success principles into its business plan. Our efforts and resources are focused where we believe they make the biggest difference.

The main pillars of the Group's sustainability strategy are:

Accelerating Technology for a Sustainable Future

Reducing the Group's Impact on the Environment

Putting People at the Centre of our Business

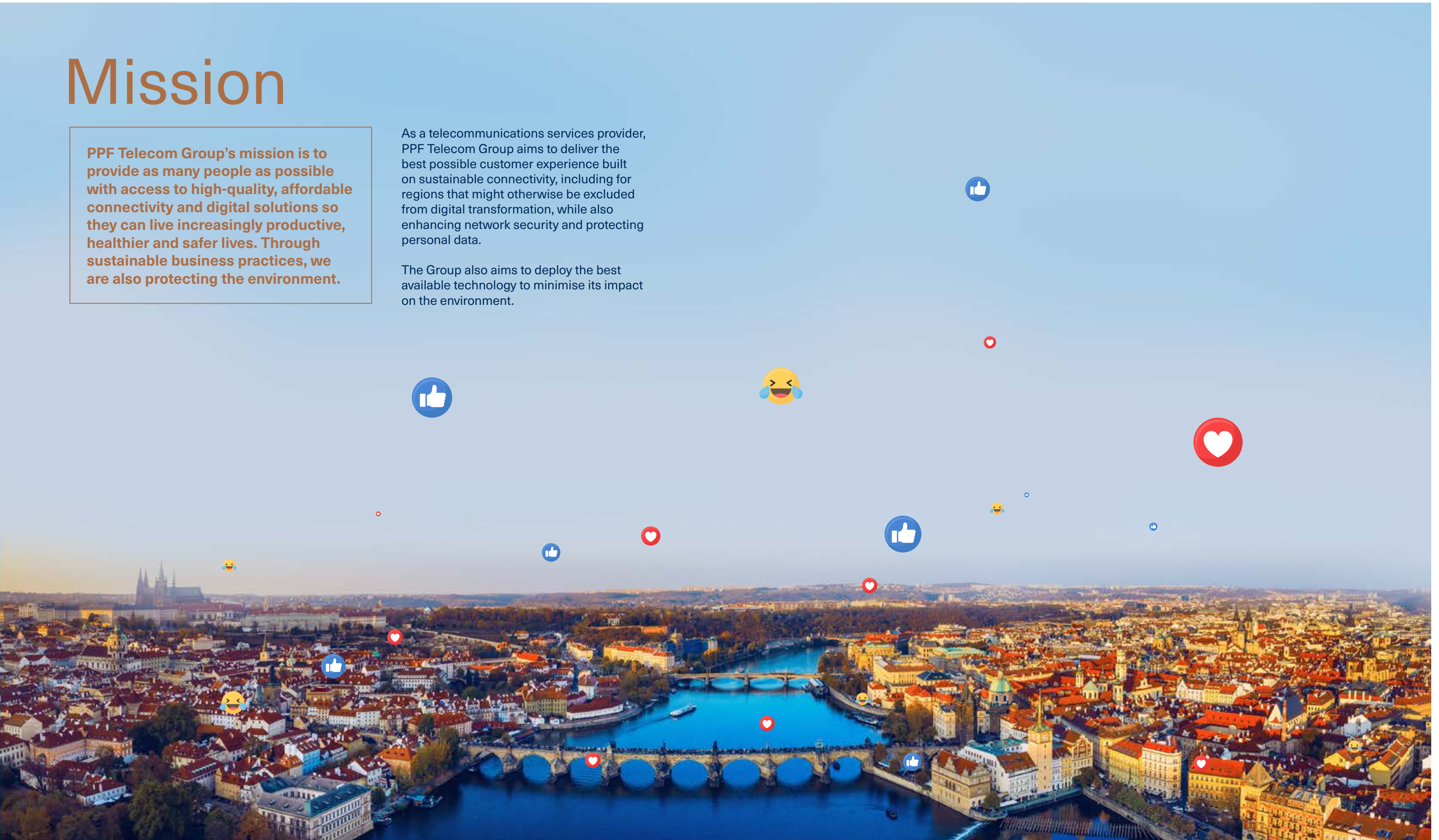
Acting with Transparency and Integrity

Mission

PPF Telecom Group's mission is to provide as many people as possible with access to high-quality, affordable connectivity and digital solutions so they can live increasingly productive, healthier and safer lives. Through sustainable business practices, we are also protecting the environment.

As a telecommunications services provider, PPF Telecom Group aims to deliver the best possible customer experience built on sustainable connectivity, including for regions that might otherwise be excluded from digital transformation, while also enhancing network security and protecting personal data.

The Group also aims to deploy the best available technology to minimise its impact on the environment.





Ambition

This is how PPF Telecom Group will fulfil its objectives while delivering value to all stakeholders.

The Best Customer Experience

An excellent network experience is fundamental to a successful telecommunications business. To leverage the quality of its infrastructure, the Group must deliver the best customer service. We believe that accessing and using the Group's services and products should be simple and that pricing policies, which are based on costs and value, should be transparent. Customers are therefore able to make informed decisions and choose the services best suited to them. The Group's customer experience includes superior customer data security and privacy and is under continuous improvement.

The Best Network

To build the best and the most secure converged network in Central and Southeastern Europe, the Group invests in 5G and fibre optic infrastructure, digitalisation and cybersecurity, while educating and upskilling its employees. To fully leverage the potential of emerging technologies, the Group shares best practices across all its countries of operation.

The Best Performance

To be an industry-leading company in Central and Southeastern Europe, the Group is always seeking better ways of doing things, looking for innovation, and developing its product portfolio while generating returns for its shareholders. But it also has a role to play in society. We understand that the Group has a duty of care towards our employees and the environment, and we do our utmost to protect them. Our aim in acting as a responsible company is to be transparent about our operations and undertakings. We must ensure that we achieve our main objective – to be both profitable and sustainable.





Sustainability strategy

Accelerating **TECHNOLOGY** for a Sustainable Future

Providing inclusive and safe connectivity, supported by the deployment of innovative technological solutions that benefit businesses, people and the environment. The Group aims to deliver reliable, safe and quality connectivity to as many people as possible in its countries of operation by investing into networks, security solutions and new technologies and raising the digital literacy of its employees and the wider public.

Putting **PEOPLE** at the Centre of our Business

Empowering our colleagues by creating an equitable, diverse, and inclusive working environment is the Group's commitment. We will do more in tackling problems with inclusion and diversity, whether through recruitment or career advancement. The Group's commitment includes safeguarding the health, safety and wellbeing of its employees, customers, partners, suppliers and communities where it operates. Listening and responding to stakeholders is also critical to the Group achieving its goals successfully and responsibly.

Reducing the Group's Impact on the **ENVIRONMENT**

Maintaining a healthy environment and minimising damage to nature is important to current and future generations. The Group will adopt a robust policy of reducing the environmental impact of its operations throughout the value chain while leveraging new technologies to facilitate environmental protection. The Group will mainly target lower energy consumption, fuel savings and sourcing renewable energy to reduce its footprint of greenhouse gas emissions and other harmful substances in the atmosphere. Managing input materials and waste is another important area where the Group will contribute to improve the environment.

Acting with **TRANSPARENCY** and Integrity

To meet our stakeholders' and our own expectations, the Group is introducing additional initiatives to support its sustainability strategy.

Accelerating TECHNOLOGY for a Sustainable Future

The Group's work focuses on:

1. Tackling the digital divide by providing as many people as possible with reliable connections

The Group supports the EU in its efforts to build secure, performant and sustainable digital infrastructures.

– Our target is to make 5G connectivity available in the countries where we operate to at least 50% of the population by 2024 and 80% by 2027. In urban areas, we are aiming for 5G connectivity speeds of more than 250 Mbps.

2. Promoting digital education and awareness

The development of digital skills and digital literacy, including raising awareness of the potential threats any new technology may pose, is one of the Group's priorities.

– In the countries where the Group operates, we aim to reach as many people as possible with educational campaigns, advice, information and training for anyone who feels vulnerable or in need of assistance to minimise online threats. Because the Group operates in several countries, we will use local resources (e.g. educational programmes, websites, social media) and tailor efforts to the specific country's needs.

– A consistent methodology will be applied across the Group over the next 12 months to accurately measure and report the impact of our campaigns.



3. Developing smart solutions that benefit people and reduce harm to the environment

The Group's investment into research and development of innovative products, solutions and projects which apply digital technologies to tackle environmental and social needs will continue.

– PPF Telecom Group's Centre of Excellence and Innovation Hub will be set up over the next 12 months and bring together the best experience, talent and resources in co-operation with universities and businesses. The centre will accelerate deployment of innovative technologies (e.g. 5G and IoT), with the ultimate goal of commercialisation through a successful rollout of products and services across the Group. The centre will set clear targets that will become synonymous with PPF Telecom Group's technology-focused sustainability goals.

4. Safeguarding information security and personal data

The Group is working continuously to further strengthen the protection of customer data and increase the resilience of its networks to cyberattack and cyberfraud.

– Our goal is to deliver security solutions for data protection to at least 20% of the Group's contracted end-customers in the consumer segment by 2025.



Reducing the Group's Impact on the ENVIRONMENT

The Group's priorities are:

1. Reducing absolute emissions and emissions intensity

To achieve the Group's ultimate goal of carbon neutrality in accordance with the Paris Agreement to limit global warming to 1.5 °C above pre-industrial levels, we will be measuring, tracking and progressively reducing our greenhouse gas emissions.

- We have publicly committed to set near-term company wide emission reductions in line with climate science with the Science Based Targets initiative (SBTi). Over the next 12–24 months, we will be preparing a comprehensive programme to enable us to reduce GHG emissions in line with climate science.



2. Supporting a circular economy

The waste generated by the Group's operations will be progressively reduced.

To put this policy into action, we will develop a waste management action plan to:

- Improve methods of collecting, reusing and recycling waste, such as paper, plastic and cardboard, produced at all our subsidiaries.

- Support the circular economy through eco-design, refurbishment, recycling and reuse of electronic equipment (collected from the Group's customers).

- Increase the quantity of the Group's reused, resold or recycled network equipment and other network waste.

- Engage with key suppliers.

- Encourage our colleagues to behave responsibly and support the Group's efforts in reducing its environmental footprint.

Putting
PEOPLE
at the Centre
of our Business

The Group's work entails:

1. Creating future leaders and encouraging women in their careers at PPF Telecom Group

Existing investment in people and culture will be stepped up with the aim of creating equal opportunities for everyone.

- A PPF Telecom Group talent development programme will be set up to oversee the various initiatives already in place at our business units to improve diversity in the Group's talent pool and eliminate unconscious bias cultures.

- As a part of the talent development programme, the Group will introduce modules to encourage women to develop their careers at PPF Telecom Group and increasing female representation in managerial positions.

- Over the next 12 months, the Group will set specific targets related to the programme and its diversity policy.

2. Understanding the Group's employees

To further enhance its corporate culture, employee engagement and relationship productivity, the Group will improve interaction with employees and take the time to understand what affects and motivates them.

- Our goal is to achieve greater than 60% participation in company surveys and to improve that percentage annually.



3. Understanding the Group's customers

Getting to know our customers better, understanding their expectations, needs and desires will help the Group deliver the experiences they expect.

- We will continuously improve customer engagement processes to help us collect and incorporate feedback and continually improve our services and range of products.

4. Preventing injury in the workplace

The records show that none of our employees have been injured fatally or suffered from life-changing injuries, and our goal is to maintain this safety benchmark.

5. Being an integral part of communities

The Group's dedicated corporate citizenship programmes will continue to support local communities with donations and active engagement.



Acting with
TRANSPARENCY
and Integrity

The Group's work focuses on:

1. Promoting sustainability as an integral part of PPF Telecom Group's strategy

Closely aligning the Group's sustainability strategy with its business objectives and long-term growth plan is our aim. We will therefore need to train and bring everybody at the company on board while also keeping our key stakeholders engaged and informed about our progress.

- Sustainability training will be introduced throughout PPF Telecom Group and aim for 100% senior management participation and at least 50% employee participation by 2023.

- The Group's key stakeholders will be regularly updated on the progress of its sustainability strategy.

2. Sourcing responsibly and sustainably

Responsibility for the safety, health and wellbeing of individuals is embraced at all stages of the Group's operations, including supply chains. Our policy is to work with suppliers who aspire to the same social and environmental standards as the Group.

- A supplier engagement plan will be developed over the next 12–24 months to establish the policies and procedures for starting dialogue with key suppliers regarding our alignment of values on climate change, the environment, ethics, health, safety and product stewardship.

Accelerating

TECHNOLOGY

for a Sustainable Future

Accelerating delivery of innovative technology that addresses societal and environmental challenges



Addressing societal and environmental challenges through products and services is one of PPF Telecom Group's top priorities. Digital technology is changing how we live, work and interact and can potentially make our lives easier, healthier and more fulfilling.

We are seeing greater integration of the internet in our homes and households to manage basic everyday tasks, for example smart electricity and water meters, security, smart TVs and other appliances. All these devices are interconnected and increase demand for greater volume and speed, and therefore delivering fast and reliable connectivity is a major challenge to telecommunications operators, especially in rural areas. To overcome the key barriers to internet inclusion by modernising infrastructure, improving affordability and raising digital skills, a collaborative, multi-stakeholder approach is required.

With rapid change though come risks, as new technology and solutions are especially vulnerable to exploitation. Guaranteeing network security and protection of personal data will become more critical, even for ordinary users of digital technology as their lives move ever more online.

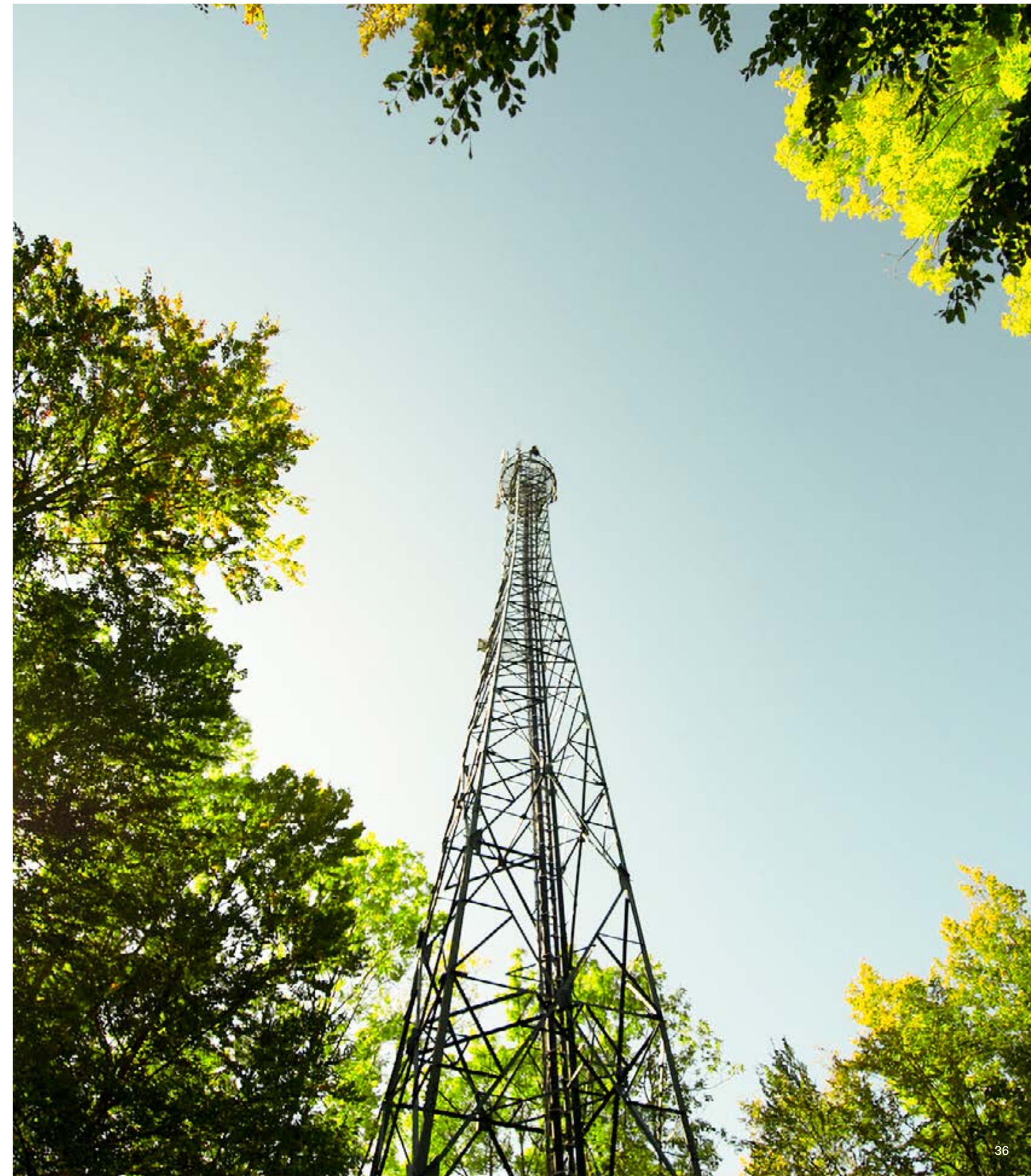
The Group is continuing with measures to deliver maximum security using the most appropriate technology, innovations, specialised applications and services in addition to providing educational tools. We keep our customers connected, ensuring that businesses continue to operate and the availability of crucial state services is

maintained. The Group supports public initiatives that help improve digital skills and literacy and raise awareness about the dangers on the internet in addition to projects that provide internet access, digital devices and education to those most in need.

At CETIN Group, we are driving digital transformation with state-of-the-art communications infrastructure solutions. Secure and reliable telecommunications networks are now a prerequisite for growing the digital economy and fostering a sustainable digital society.

The Group's retail operations (O2 and Yettel) support the wider use of digital communications technologies through its range of devices and services to households, companies, offices and schools in addition to encouraging responsible use.

The Group's business decisions have one common goal – to accelerate the delivery of innovative technology that enhances the daily lives of our customers – Accelerating Technology for a Sustainable Future.





SUSTAINABLE CONNECTIVITY

Tackling the Digital Divide
with Reliable Connectivity
for Everyone

CETIN Group's goal is to deliver truly sustainable connectivity that brings social, environmental and business benefits to people, companies and societies. Our business model allows CETIN to service densely populated cities and towns and reach those in remote communities.

We aim to accelerate the uptake of digital technology in all areas where we operate. We design, build and operate high quality networks and provide innovative solutions with no compromise in security. CETIN is well positioned to enable a rapid and cost-effective transition to optical fibre and 5G networks for our anchor tenants and other telecom service providers. Sometimes, however, conditions do not yet allow high-quality optical connections. In Czechia, CETIN is therefore extracting the maximum possible from its existing copper cable networks. Diversity such as this allows us to connect as many people as possible, even in areas that might have otherwise been difficult to reach. In the age of digitalisation, no one should be left behind.



**“OUR STATE-
OF-THE-ART
TELECOMMUNICATIONS
INFRASTRUCTURE
SOLUTIONS PROVIDE
BACKBONE FOR
DIGITALISATION
OF THE WORLD
AROUND US.”**

Juraj Šedivý
Chief Executive Officer
CETIN Group

Sustainable Connectivity



CETIN Czechia Rural Coverage Case Study

CETIN Czechia is a champion in rural coverage, with its fixed NGA network available to more than 63% of all rural Czech households (DESI, 2021). Most rural coverage is achieved using a Fibre to the Cabinet (FTTC) network, which enables users to achieve speeds of up to 250 Mbps. Since 2019, CETIN's main focus has been the deployment of state-of-the-art Fibre to the Home (FTTH) networks, including in rural areas.

Connectivity in rural areas is necessary to attract a working age population to live in smaller towns and villages and to enable remote work, less commuting, and easier access to public services.



1) FTTH Dobříš:

The coverage of Dobříš, a small central Bohemian town, is being installed in stages, with the Mírové and Komenského square areas nearly complete. The deployment has been closely coordinated with the municipal administration to harmonise it with the reconstruction of squares and sidewalks in their areas.

2) FTTH Dešná:

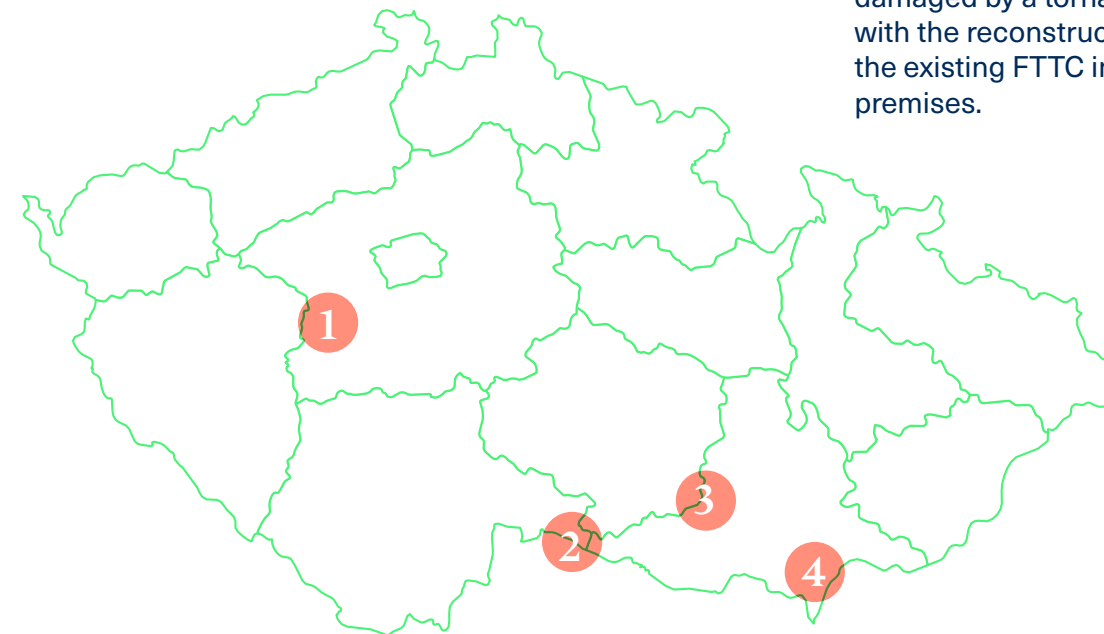
A village of less than 600 population, 95% of homes passed with FTTH, which is already available for services. The network has been installed as an aerial FTTH deployment using existing poles.

3) FTTH Hrotovice:

Another example of successful cooperation between CETIN and the municipal administration in Hrotovice, with a population of 1,700. First, CETIN network in the municipality has been upgraded with FTTC, followed by deployment of FTTH. The FTTH deployment has been coordinated with civil works on the electrical distribution network, with 22% of premises now connected and in service. Other premises will follow along a similar pattern, coordinated with sidewalk reconstruction to avoid unnecessary environmental damage and obstructive closures.

4) FTTH Hrušky:

The municipality of some 1,600 people was badly damaged by a tornado in 2021. CETIN will assist with the reconstruction efforts by modernising the existing FTTC into an FTTH network for all premises.



Besides the above mentioned commercial projects, CETIN has also participated in calls for projects to cover "white areas" in the Czech Republic. White areas do not have any available NGA network. With some 30 submitted projects, CETIN's commitment is to deliver connectivity even in areas where commercial deployment is not otherwise possible.



**BACKBONE
TECHNOLOGY
FOR THE OPERATION
OF CETIN DATA
AND VOICE SERVICES.
CETIN'S INTERNET
NETWORK IS AVAILABLE
TO 4.2 MILLION
HOUSEHOLDS
IN CZECHIA.**



Sustainable Connectivity

CETIN Czechia has a comprehensive investment programme designed to increase the coverage and speed of its networks. It operates 20 million pairs of copper cables, 59,000 kilometres of optical fibre and 4,500 base stations for mobile and fixed network operators (O2 and T-Mobile). It also provides international voice and data services to more than 200 telecommunications operators worldwide through connection points in London, Vienna, Bratislava, Frankfurt, Budapest, Belgrade, and Hong Kong. Over the past year, CETIN Czechia increased the average speed of its fixed network from 105 Mbps to 177 Mbps, with almost 2 million connections reaching a speed of 250 Mbps. In some locations, it can offer customers a broadband speed of up to 1 Gbps (downstream). **Because we enjoy a challenge at CETIN, we aim to bring true fibre internet to a million households in Czechia by 2027.**

CETIN Hungary infrastructure allows the mobile operators to cover almost 100% of the population with 4G mobile services. CETIN is focused on ongoing modernisation of its network. In 2021, the company started rolling out 5G, involving major upgrades to significant proportion of its mobile network. High-speed (1Gbps) 5G service was made available in the inner part of the capital Budapest, several larger cities, and around the country's major tourist attraction, Lake Balaton. To support the increased speed and capacity requirements of 5G, CETIN Hungary is also improving its transport network infrastructure with capacity upgrades. More than a hundred new optical links were established in 2021. CETIN Hungary's focus on network modernisation and 5G will be a key enabler for the faster deployment and use of mobile services requiring higher speeds e.g. FWA and new industrial use cases. In the fourth quarter of 2021, Ookla's Speedtest Intelligence recognised Yettel (formerly

Telenor) Hungary (which is using the mobile network infrastructure owned and operated by CETIN Hungary) as the fastest mobile operator in Hungary. CETIN Hungary is party to a mobile network sharing agreement with Magyar Telekom.

CETIN Bulgaria 4G mobile network coverage exceeds 99% of the population across 88% of the country's territory, with download speeds of up to 150 Mbps in areas with 4.5G coverage and potentially higher speeds achievable by devices that support carrier aggregation. The network also covers over 7,700 km of roads – 97% of Bulgarian highways, first and second class roads, with a maximum download speed of up to 1 Gbps (in regions where 5G coverage is available). **CETIN started rolling out its 5G network in the second quarter of 2021.** Of the company's 2,700 base stations, currently more than 1,000 have 5G connectivity installed, **covering nearly 50% of the population.** The majority of the existing 5G stations operate on a C-band frequency, providing a mobile broadband service that achieves download speeds of up to 1 Gbps. In addition to mobile broadband data services, CETIN's 5G network acts as the backbone for fixed wireless access (FWA) services. The service provides uncapped, high-speed data access with speeds of up to 300 Mbps.

The company runs a fibre optic infrastructure with two optical rings across Bulgaria, ensuring reliable protection between all points of presence. In Sofia, CETIN Bulgaria operates its own optical network, which provides dense coverage of the city and its surroundings. Optical transborder connections to Serbia and Greece extend the domestic network.

CETIN Bulgaria's excellence in planning, maintaining, operating and expanding the mobile network has resulted in five consecutive "Best in Test" awards from

4G

Total Group network coverage 4G	2020	2021
% of population covered	98%	99%

Network coverage 4G (% of population covered)	2020	2021
Czechia	99%	99%
Slovakia	97%	97%
Hungary	100%	100%
Bulgaria	97%	99%
Serbia	97%	97%

5G

Total Group network coverage 5G	2020	2021
% of population covered	3%	19%

Network coverage 5G (% of population covered)	2020	2021
Czechia	13%	33%
Slovakia	0%	3%
Hungary	0%	5%
Bulgaria	0%	49%
Serbia	0%	0%

Umlaut, indicating a superior real user experience.

CETIN Serbia is the first integrated telecom infrastructure company in the Serbian market and manages valuable infrastructure of 1,700 radio base stations, 8,000 kilometres of fibre optic cables and five data centres. Its 4G equipped network covers more than 97% of the population and 82% of Serbia, with maximum download speeds of up to

525 Mbps in urban areas. CETIN Serbia owns an optical infrastructure that provides significant redundancy at all points of high concentration through ring topologies in the national backbone. The company has proved to be an important provider of international transit data services both for PPF Telecom Group subsidiaries, especially as a natural link between Hungary and Bulgaria, in addition to a large number of wholesale partners around the world.



Sustainable Connectivity



CETIN Czechia Gaming Project Case Study

The need for a fast and stable connection is especially true in online gaming. In recent years, gaming has grown into a global phenomenon, and competitions between the best players are watched by millions of people around the world.

However, even the online gaming industry is not immune from the impact of the world economy. Because of a limited supply of computer chips, many gamers are struggling to get the right equipment. Using cloud solutions as the future of gaming is increasingly being discussed in the gaming community. By signing up for a service and buying access to a remote server that is outfitted with hardware to run games, players are able to access games that normally require a high-powered, expensive gaming PC. This style of gaming reduces the demands on a PC's performance but increases connectivity requirements.

At CETIN Czechia, under our Gaming Project, we would like to consolidate gaming servers into our infrastructure, because we believe it would greatly improve conditions for players. We have been the technology partner of the Czech Championship in computer games for the past five years. We use social media to connect with gamers and fans, and recently, we started working with famous Czech gaming streamers and influencers.



Group TV platform solution

To further diversify its service portfolio and leverage the CETIN Group's network infrastructure, PPF Telecom Group is working on a unified Group TV platform. The platform will enable the delivery of IPTV solutions, with the possibility effortlessly broadcast live and pre-recorded shows and videos from an extensive list of TV channels. The Group strives for excellence in providing ease of use, technical compatibility, and internet connectivity and delivering competitive TV services for new and existing customers to enjoy TV via set-top-boxes, smart TV apps, mobile apps and the web. The TV platform has already been launched on the Serbian market, and the Group is also planning a roll-out in Czechia, Slovakia, Hungary and Bulgaria.



Sustainable Connectivity

Digital Technical Infrastructure Maps

At CETIN Czechia, we are always looking for ways to improve and use digital technology to make everyday tasks easier. For several years now, we have been working on a Digital Technical Infrastructure Maps (DTIM) project run by several regional authorities in Czechia. The project's goal is to create a large-scale digital reference topographic map which can be used for effective data sharing, unification, planning and streamlining of administrative processes. The regional DTIM projects will be expanded to all regions and unified into a seamless national DTIM by mid-2023. CETIN is actively involved in discussions about the design of the new DTIM and continues to work with regional administrations to deliver our infrastructure datasets.



“The national digital infrastructure map is a building block in the long-term process of digitalizing the national agenda for granting construction permits. Construction permits in Czechia are notoriously slow because of a complex legal framework. We hope that the project will contribute to streamlining the whole system.”

Jana Hays
Regulatory Affairs Manager
CETIN Czechia





Sustainable Connectivity

5G as an enabler of inclusive long-term opportunities

We always strive to offer the most modern technology to our customers. 5G is a technology that can help transform industries, businesses, and lives, deliver superior economic growth, improve access and affordability to computing, and bridge the digital divide.

In 2020 and 2021, the Group's companies acquired frequency licences for 5G networks in Czechia, Slovakia, Hungary and Bulgaria, and started installing the necessary technology and providing 5G services commercially. In Czechia, O2 customers can use 5G with speeds of up to 600 Mbps throughout Prague and selected cities and districts of eastern Moravia, where extensive network modernisation has already been done. Similarly, O2 Slovakia, Yettel Hungary, and Yettel Bulgaria offer strong 5G coverage in the capital cities and selected regions.

A rapid rollout is ongoing in all four countries. In Serbia, Yettel and CETIN are preparing for the upcoming auction of 5G frequencies and are ready for a fast-paced rollout. The Group's companies are leveraging local knowledge and sharing best practices to accelerate the rollout.



“OUR MISSION IS TO SIMPLIFY LIFE FOR ALL OUR CUSTOMERS WITH ADVANCED TECHNOLOGIES.”

Jindřich Fremuth
Chief Executive Officer
O2 Czech Republic

The Group's goal is to provide 5G connectivity to at least 50% of the population in the countries where we operate by 2024 and 80% by 2027. In urban areas, we are aiming for connectivity speeds of 250 Mbps and over in our 5G network.

Our mobile operators are the leading internet providers for households and businesses in their respective countries. At O2, we have developed and introduced our customers to a new, super-powerful O2 Smart Box, which provides a reliable Wi-Fi network and fast internet in the home. It combines the functions of a powerful modem, Wi-Fi router and smart home centre with a user interface in the mobile application of the same name. The new standard provides greater network capacity and a significant increase in speed, up to 1 Gbps. Using Wi-Fi 6, the O2 Smart Box is able to connect up to 10 times more devices without disadvantaging power savings.

Customers are increasingly accessing entertainment through the internet. With O2 TV service, O2 is the largest operator of internet television broadcasting in Czechia, and Yettel Serbia has similarly recently launched the Hipernet TV platform.



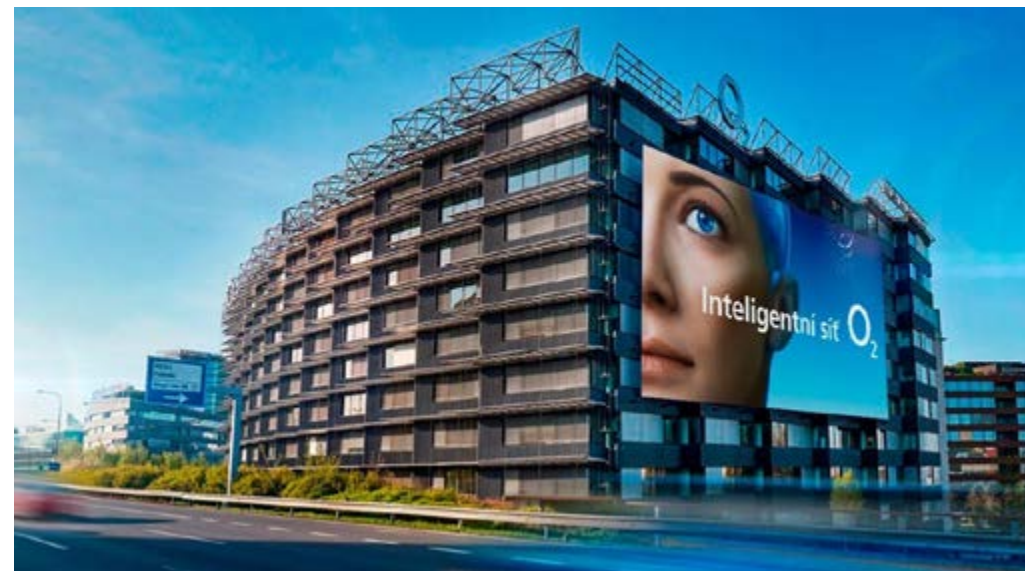
Sustainable Connectivity

Smart technology application

The Group will continue to invest in research and development of innovative products, solutions and projects which use digital technologies to tackle environmental and social needs.

PPF Telecom Group's Centre of Excellence and Innovation Hub will be set up over the next 12 months, and bring together the best experience, talent and resources in co-operation with universities and businesses.

The centre will accelerate deployment of innovative technologies (e.g. 5G and IoT), with the ultimate goal of commercialisation through a successful rollout of products and services across the Group. The centre will set clear targets that will become synonymous with PPF Telecom Group's technology-focused sustainability goals.



O2 Intelligent Network

Along with the launch of the Campaign for True 5G and to underline its position as the technology leader on the market, O2 Czech Republic is changing the long-term slogan of its brand from "O2 Smart Network" to "O2 Intelligent Network".

"Our previous vision that one day everything would be connected has become a reality – we have smartphones, smart cars and entire smart homes and cities. It's therefore time to move forward again. We are adopting the latest developments in technologies that are not just passively smart, but actively anticipate the wishes and needs of their users and adapt to them. This is our vision for customers and why we are moving from Smart to Intelligent."



David Daneš
Director for Brand and Marketing Communication
O2 Czech Republic

Drivey – Everything about your car. Now on your smartphone

Drivey, available through Yettel Bulgaria, Hungary and Serbia, is a smart device for tracking a car's location and collecting driver behaviour statistics. The device allows users to set a maximum speed, thereby helping to protect life and assets.



Smart Home – Home security

The mydlink Home, available through Yettel Bulgaria, is a range of devices connected by software to help control, monitor and protect the home. The package includes a motion and sound detecting camera, an alarm, a motion sensor and router, all communicating together and controlled via free app on a smartphone or tablet.

Smart Metering

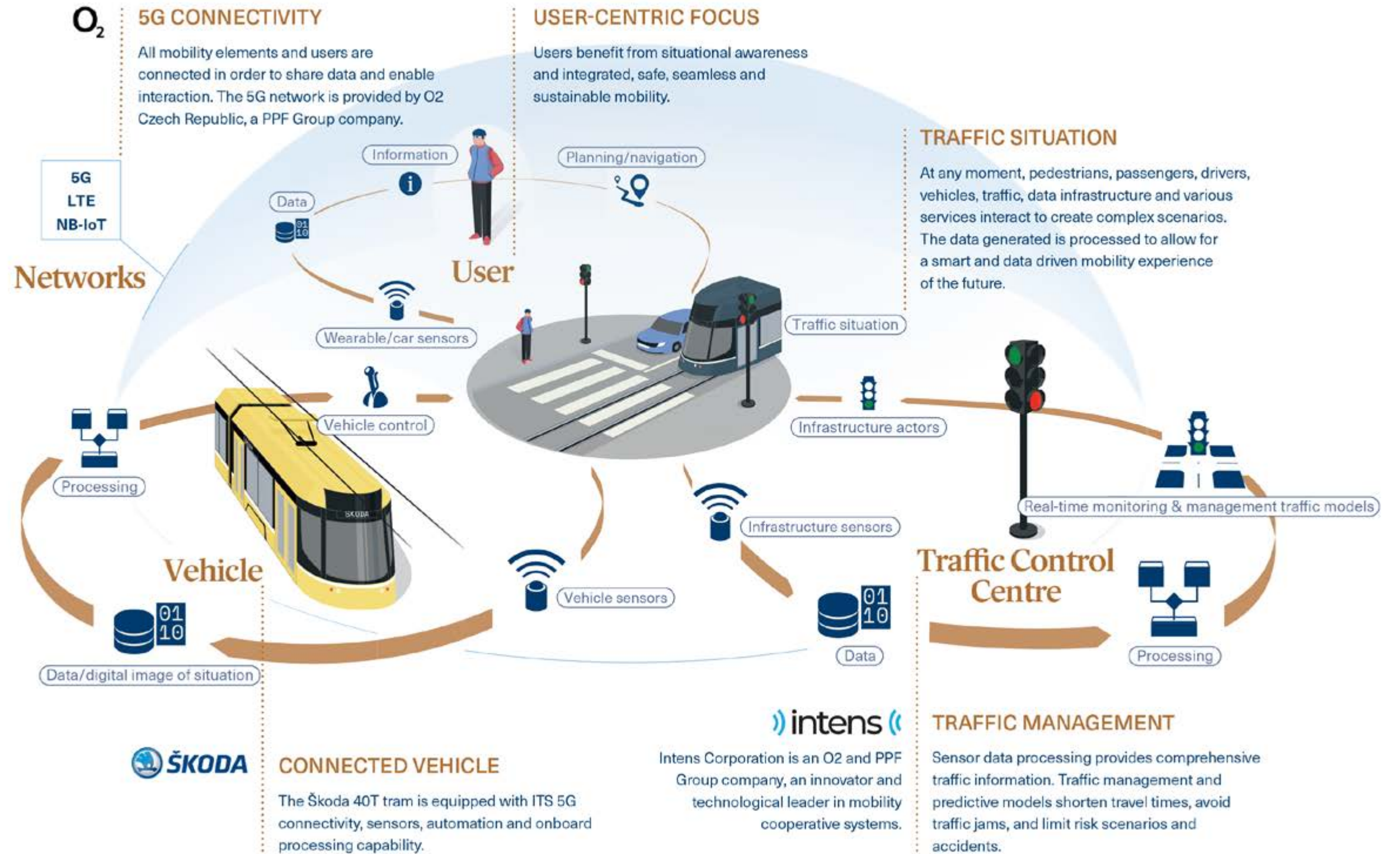
A project already underway in this area is our collaboration with Findy to provide energy efficiency and smart metering in Bulgaria. Under this project, Yettel Bulgaria supports the measurement of various consumption indicators (electricity, water etc.) in different public buildings in Bulgaria. Our current role is to provide safe and secure connectivity for various energy measurement devices and thereby ensure that results are collected and reported properly, which in turn produces more efficient use of water and electricity. We are currently supporting the installation of these solutions in more than 100 locations in Sofia continuing our collaboration with as the Findy project expands to other areas.

Sustainable Connectivity

Smart cities
Case Study

Smart tram on a smart track

Transport of the future will not only feature self-driving cars, it will be an entire ecosystem of interconnected solutions enabling safer and smoother transport in cities. O2 Czech Republic is working on the Smart City project in Pilsen to test various smart transport models in a real environment. The most advanced is the Smart Tram project, involving a prototype tram's connection to the city's intelligent transport system (ITS) via O2's 5G network. The modern vehicle is equipped with a wide range of sensors to monitor the road and potential obstacles. A unit enabling C2X communication, which O2 has successfully tested in the European C-Roads project, will also be installed in the tram. Through this unit, the tram will be able to communicate with other devices along its route via ITS G5 hybrid communication and the 5G mobile network. For example, the system alerts drivers to road works or approaching emergency medical service vehicles and is able to provide priority passage through busy intersections. The tram is also fitted with cameras and radars to respond to movement more quickly than the human brain, thereby improving pedestrian and passenger safety. Fully autonomous trams are scheduled for testing in Pilsen by 2027.





SUSTAINABLE SOCIETY

Promoting Digital Education and Smart Technologies to Benefit People and the Environment



Can we do more to foster the great results that come from digital technology while addressing the potential risks?

The Group is helping customers and their families use technology in the most productive way while staying safe. We partner with leading organisations to provide the best advice on digital skills to those who need them and to give freely accessible support and training to enable people to get the most from the online world.

The Group will continue promoting the development of digital skills and computer literacy and raising awareness of the potential threats that new technology may pose. In the regions where we operate, our goal is to address as many people as possible with educational campaigns, advice, information and training for anyone who feels vulnerable or needs assistance to minimise online threats.

Because the Group operates in several countries, we use local resources and knowledge (e.g. educational programmes, websites, social media) to tailor our efforts to the individual needs of each country.

Sustainable Society

Digital literacy for a safer society

We know that the digitalisation of society comes with risk. The Group is engaged in helping to educate young people, parents and teachers about safe and conscientious behaviour on the internet, reinforcing media literacy and encouraging critical thinking. Through O2 Foundation, O2 Czech Republic has been a long-term partner of the **Safely on the Internet project (E-Safety)**, which focuses on risky behaviour online and is administered by the Centre for the Prevention of Risky Virtual Communication at the Pedagogical Faculty, Palacký University, Olomouc. The project is designed to enhance the skills of internet users, both adults and children, with key areas focusing on cyberbullying, cybergrooming, sexting and the risks encountered on social networks, such as hoaxes, spamming and other behaviour.

Together with other professional guarantors, the E-Safety project oversees the factual accuracy of the **O2 Smart School Programme**, which has been running since 2018, to help teachers, parents and children better navigate the digital world and educate them in cybersecurity. The project's main tool is the public educational portal www.o2chytraskola.cz, which is focused on digital literacy (safety on the internet, media and computer literacy, and technology in education). It provides practical advice and educational materials for protecting oneself on social networks, recognising fakes news and hoaxes, or working with Google applications as a few examples. The website was visited by more than 122,254 users in 2021, and around 500 schools from all over Czechia work with it regularly.



The O2 Smart School project also financially supports primary schools and children's homes to invest in educational programmes for teaching digital, computer and media literacy and internet safety. O2 Czech Republic employees – the O2 Smart Schools Partners – help with educational activities at schools and updating our two websites. In 2021, fourteen of our colleagues joined the programme. Since 2018, we have supported 224 projects with CZK 15 million, and in 2021, we supported 67 schools with CZK 4.7 million.

224
projects supported with
CZK 15M

(since 2018)

In October 2021, O2 Czech Republic launched a new information website called **Safely in the Net – Bezpečně v síti.cz** – to help the public cope with the dangers in the online world. The website builds on the O2 Smart School programme and presents educational materials in a popular form. In 2021, the website contained 65 articles, and we aim to add two every week in 2022. The website has been visited 6,697 times by 5,129 users since it started. Over the 2021 Christmas season, O2 aired an educational campaign on TV, YouTube and other social media to alert parents to the possible risks associated with using the internet.

6,697
visits by

5,129
users

(since October 2021)



Sustainable Society

Yettel Bulgaria also makes full use of its resources and knowledge as the country's leading telecommunications services company. Through its educational programmes, it provides opportunities for young people to improve their knowledge and understanding of digital technologies. The **"Safer Internet"** campaign helps raise awareness among children, parents and teachers about the potential risks of using the internet, social networks and mobile devices, and how to prevent these risks and seek help. The campaign has been running since 2006 in close cooperation with the National Safe Internet Centre in Bulgaria.

Digital Scouts – Free game app to promote internet literacy

As part of the campaign, Yettel Bulgaria has been running the training programme **"Digital Scouts"** since 2020. The programme's mission is to create a community of Bulgarian and young people who demonstrate responsible and safe behaviour on the internet.



Through a **dedicated game application available for free** in the App Store and Google Play, Yettel organises an annual competition with many interesting prizes for participants.

The motto for the 2021 edition was **"You know before you scroll"**, aimed at showing both children and their parents that the internet can be a safer place if some basic rules are followed. To capture the right audience, the application contains captivating visual elements inspired by the Japanese manga style. In 2021, the game brought together **39,000 children who took part in a digital adventure** and learned more about online dangers and how to deal with them.



To complement this initiative targeting teenagers, the first parenting forum **"It's Up to Us"** was set up to give parents recommendations and guidance to help their children become digitally and media-aware from an early age.



HyperSchool/HiperSuli – Improving digital awareness in schools

Yettel Hungary supports the Group's determination to promote digital literacy through an educational programme called **HyperSchool/HiperSuli**, designed for schools and teachers to improve digital technology awareness. The number of participating schools in the programme saw a huge increase to 101 in 2021, up from 46 in 2020. To support this evident interest in this area, Yettel Hungary created an accredited online training programme for teachers – **170 teachers have already registered**, and 50 completed the course in 2021. The training is accredited by the Ministry of Human Resources (Education Office). As part of the programme, Yettel Hungary released **51 videos about digital awareness** via the educational website Webuni.

ConsciousNet/TudatosNet – Using internet safely

Yettel Hungary also runs the **ConsciousNet/TudatosNet** programme, which targets a wider audience, including parents and young people. In 2021, Yettel Hungary released thirteen new **"Safenet" videos**, taking the total of publicly available videos to 25. The videos show the basics of how to safely use the internet, cover current topics such as careful use of chat applications, online harassment and digital parental control. The short videos also provide practical advice on how to detect a fake profile, what to do to keep your browsing safe or what to do if your account is hacked. Through the programme, Yettel Hungary's volunteer staff and partners have already reached more than **40,000 young people**.

Sustainable Society

BrowseResponsibly Case Study

How O2 Slovakia fought hoaxes with a deepfake and anti-vaxxers

In addition to great memories and funny memes, people use their mobile data to share hoaxes and fake news. During the pandemic, the dark side of modern technologies became ever more evident, and O2 Slovakia decided to help find solutions. The #BrowseResponsibly campaign was designed to teach people not to trust all information they see online. It started with a viral deepfake video released on the internet. It reached 2 million people in a country of 5.5 million. The campaign website received more than 120,000 visits, and visitors were invited to take a media literacy quiz. It not only taught them the basics of critical thinking, but taking the quiz was rewarded with unlimited free mobile data for a day.

The campaign kicked off with a deepfake video created with face-mapping and artificial intelligence. The video featured Zlatica Švajdová Puškárová, a famous TV news anchor. In the video, she claimed that face masks and vaccinations do not work, even though she was among the first ones to embrace them. After making some more outrageous claims, Zlatica started transforming into the actress, Kristína Tormová, who was the real protagonist

in the video. She explained to viewers that they should not believe everything they see. But the video was just the beginning. People who watched the video were redirected to the campaign website which contained information about the basics of media literacy and critical thinking, including interviews with psychologists, former anti-vaxxers and conspiracy theorists. People were then invited to take a quiz in exchange for unlimited mobile data for a day. For the duration of the campaign, O2 sold selected devices with a warning sticker and a link to a website where people could find advice on how to think critically.

The O2 Fair Foundation has also distributed EUR 60,000 to projects to fight disinformation and promote a healthier information space.

120,000
campaign
website visits

2 MILLION
people reached
(5.5 million population)



Zdieľaj s rozumom



Additional
EUR 60,000
distributed by O2 Fair Foundation
to fight disinformation



Sustainable Society

We do not leave people behind

We provide services and technologies to support and improve the quality of life of those who need help.

We offer **discounts on tariffs and devices**, including modified phones, modems and laptops, to people with disabilities or people who find themselves in difficult life circumstances. We help them stay connected with their loved ones and also save money when they use telecommunications services.

At O2 Czech Republic, we directly **operate or financially support help lines**, such as:

- The **line for people with hearing or visual impairments**, which has existed free of charge since 1997. In 2021 alone, its operators handled 23,009 requests for 450 clients. Users of the services have SMS, e-mail, Skype, chat, ICQ and fax, and visually impaired clients can also use a free telephone line to obtain assistance with certain daily tasks such as communicating with doctors, authorities, schools or relatives. We also offer call transcription services through our stores for people with hearing impairments.
- The **Toll-Free Safety Line for Children and Young People**, which was established in 1994. Approximately **400 children call it every day**.
- The **Senior Helpline**, which not only helps the elderly but assists with their careers in difficult situations. The line is operated by Elpida o.p.s.



Targeted support to single-parent families Case Study

Discount mobile and internet tariff for single-parent families

Yettel Hungary and the Single Parent Center (Egyszülős Központ) signed an agreement in 2021 under which the operator provides a **discount tariff to single-parent families** who use its mobile and internet services. Up to 300,000 Hungarian parents are raising their children alone, and more than 500,000 Hungarian children are currently living in single-parent families. Under the agreement, families can make voice calls and use the internet at a lower rate, helping the children stay in education and stay connected with their loved ones. Cheaper tariffs provide valuable assistance, because every second single-parent family is struggling financially.

As children spend more time on-line, it is important that parents manage their children's time spent online responsibly, which is even more difficult for people who are raising their children alone. Yettel now provides free access to its "TudatosNet tudáspakk" knowledge base to help their single parent clients keep their children safe in the online environment.

23,009

requests handled in 2021 by O2 help line for people with hearing or visual impairments

450

clients





Sustainable Society



“THE LOCALISED AVAZ APPLICATION IS A GREAT EXAMPLE OF HOW MOBILE TECHNOLOGY CAN SOLVE PROBLEMS THAT WOULD NOT BE POSSIBLE WITH TRADITIONAL MEANS. SUCH GREAT THINGS HAPPEN WHEN PERSONAL MOTIVATION MEETS CORPORATE RESPONSIBILITY. WE ARE PROUD OF THE CO-OPERATION WE ESTABLISHED WITH THE NÉMETH FAMILY AND GLAD TO HELP ADDRESS THE COMMUNICATIONS NEEDS OF THOUSANDS OF INDIVIDUALS AND FAMILIES.”

Attila Mészáros

Corporate Communications Director
Yettel Hungary



Picture-based Communication & Learning App for people with special needs Case Study

Yettel Hungary sponsors an app to support people with communication disorders

One in 200 people have complex communication needs. Typically, they suffer from a severe disorder due to ALS, autism, central nervous system damage, aphasia or other conditions preventing or limiting them from communicating effectively.

The AVAZ app was designed to help children and adults with these types of impairment to make themselves understood in an efficient and effective way. Originally developed in India, Yettel joined the project to launch a Hungarian version of the app, which was initiated and coordinated by the family of ten-year-old Vince Németh, who lives with AMC, a rare illness affecting his joints and muscles.

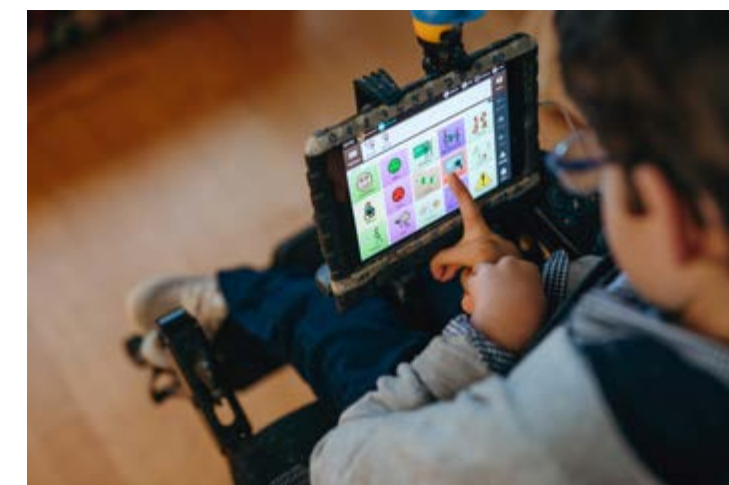
AVAZ is a **visually based alternative and augmentative communication app (AAC)** which uses synthesized speech to provide a comprehensive picture and text-based solution for verbal expression. The Hungarian AVAZ app includes **45,000 pictures that can be used to create a personalised vocabulary** and compile sentences in Hungarian. They can assign a word or a sentence to each picture on the board. If the user clicks or taps on a picture,



the words and sentences are pronounced aloud in Hungarian with a personalized voice. In addition to using pictures, users can add words to their sentences by typing on the keyboard. They can also access inflections, and picture and text prediction make app-based communication even more efficient and convenient. **Sentences created in the app and their visual representations can be copied to e-mail or any other messaging platform** to facilitate remote communication with friends, classmates or speech therapists. During online meetings, participants can share their screens so that everyone can see and listen to the sentences edited in AVAZ. With this feature, children and adults with complex communication needs can participate in online education or online meetings more actively. To further simplify use, the app can also be managed to use assistive technology tools such as switch

buttons. The Hungarian version also includes the vocabulary of textbooks from the lower grades of primary school to help children who are unable to communicate verbally join in with integrated classroom education.

The application is fee-based, so Yettel has stepped in to provide 50 users with free unlimited access to the app, including assistance from specialists working on the app. This initiative aims to gather experience and feedback from users with different levels of difficulty to help further improve the Hungarian version of AVAZ.





Sustainable Society

Bridging the digital divide

We believe that it is crucial to ensure equitable access to technology across regions where the Group operates and to support local people and communities to reach their full potential. The Group does its utmost to find solutions that are suitable and fit local needs.

Supporting inclusive access to education

At Yettel Serbia, we recognise how much the COVID-19 pandemic has affected all spheres of social life, including education. Although most schools managed to transfer at least some of their classes online, it is estimated that around 40% of children from vulnerable social groups in Serbia were unable to attend online classes (based on the Institute for Education and Upbringing evaluation survey) because of non-existent or very poor internet connections. In cooperation with UNICEF, we therefore ran the campaign “**Bridging the Digital Divide in Serbia for the Most Vulnerable Children**” and donated **2,200 internet cards and 310 modems to children and schools**, to create adequate conditions for distance learning, regardless of where the students lived. We hope that our efforts will help bridge the digital gap still existing in Serbian society and create equal and inclusive access to education.

Promoting girls' interest in ICT

In Serbia, we also supported **Hack#teen**, a hackathon for girls organised by the AFA Association (Association for Female Affirmation) for **International Girls in Information and Communications Technology (ICT) Day** on 28 April. The hackathon celebrated girls and young women and encouraged them to pursue studies and careers in the technology sector through training in coding, development of mobile applications, and IT. Fifty female students at middle schools from all over Serbia took part, supported by mentors from ten successful tech companies. The contestants created technological solutions which promote knowledge, encourage greater interest in learning and make education more exciting.



Reducing inequality through the use of the Internet

In Hungary, thousands of children drop out of school every year because of long-term illness. They are often completely isolated from their peers and have to cope alone with the curriculum. The project **HospitalSchool/KórházSuli** helps them continue their education and maintain contact with their friends and families. Yettel Hungary has supported the organisation from the beginning, fulfilling its goal to reduce inequality through the use of the Internet. In our collaboration, **Yettel provides unrestricted internet** access for teachers and students who participate in the programme. Yettel Hungary supported KórházSuli in 2021 with **donations of HUF 8,000,000, 25 Wi-Fi routers** and internet access. In 2021, six of our colleagues took the opportunity to become **mentors** under the programme.

Yettel Hungary also supports the **E-tutoring programmes** organised by the 21st Century Pedagogy Foundation and the Hungarian Reformed Church Aid. The programme aims to create an online **mentoring network to help students living in less developed regions of the country** get access to help with education. As part of the programme, students volunteer to help each other with online tutoring and personalised digital learning materials. In the 2021 school year, Yettel Hungary provided free internet access to 33 study groups. We also supported the

Ózdi tanoda/Digital Crossroads programme, which aims to provide participating students with digital tools and professional assistance with learning and career choices. Specifically, Yettel Hungary provided **120 students with free internet access.**

In addition, as part of the Digital Springboard programme, the company provided five schools in less developed areas of the country with **free tablets and notebooks to the value of approximately HUF 10 million**, plus 30 hours of training in the accredited HiperSuli Digital Methodology Training Course.

Donations of

**HUF
8,000,000**

&

25

**Wi-Fi
routers**

**153
STUDENTS**

**provided with free
internet access**



CYBERSECURITY, DIGITAL AND PERSONAL DATA PROTECTION

In an increasingly digitalised environment, the telecommunication industry is playing a vital role in keeping businesses and people connected 24/7 while concurrently processing and storing valuable customer information. As such, the consequences of cyberattack can be very high and far-reaching. It is therefore of paramount importance to build robust and effective defences, especially as attacks are becoming more sophisticated and frequent.

Cybersecurity and risk management must be regarded with the same importance as any other business fundamentals, even more so with the increasing penetration of 5G technology. While 5G offers many benefits to its users, it also creates new security concerns and challenges (e.g. software-centric networks), and without proper protection mechanisms in place, a company risks financial losses and damage to reputation.

At PPF Telecom Group, we view cybersecurity as critical to the business continuity of our organisation. We are fully aware that fighting cybercrime and protecting our customers' data is both complex and varied. The Group

is therefore continuously working on improving the protection of our customer data and increasing the resilience of the network against cybercrime. We are implementing and continuously improving our cybersecurity management strategy, including investment into the latest technology, robust processes and guidelines, and increasing recognition and awareness of this topic with our customers and employees.

The Group is working continuously to further strengthen the protection of customer data and increase the resilience of its networks to cyberattack and cyberfraud. Our goal is to deliver security solutions for data protection to at least 20% of the Group's contracted end-customers in the consumer segment by 2025.

We operate within the national and international supply chains for telecommunications equipment, software and network construction materials. We pay close attention to selecting our suppliers and require all products to be certified for quality and compliance with the standards and regulations relevant to importing and operating these products. As part of the selection process, we apply a specific set of security requirements, including organisational and technical security measures. Because this topic is critically important to our business, the Group's top management is actively engaged in discussion with the security directors who report to their respective business unit CEO.

At CETIN, we consider cybersecurity an essential condition for the success of our business. We include cybersecurity measures in our product portfolio to protect customer infrastructure, data and technology. To ensure the highest level of security, CETIN has implemented and obtained certifications for Information Security, and in some countries, also for Privacy and Quality Management Systems. We follow the industry's best practices, including the recommendations of the European Union Agency for Cybersecurity (ENISA), and the requirements of internationally recognised standards. Every year, we undergo an external audit, and every third year a re-certification. After these reviews, the findings are analysed and action is taken to further improve our processes. All our business units under CETIN Group have their information security management systems audited and certified according to ISO 27001. In addition, CETIN Czechia, as the administrator of critical infrastructure, holds a certificate of facility

security clearance issued by the National Security Authority of the Czech Republic in accordance with Section 121 of Act No. 412/2005 Coll., on the protection of classified information and security capacity. The information security governance frameworks of our mobile network operators (O2 and Yettel) are in line with the relevant international and industry standards. Leading recommended practices and strict telecommunications guidelines have been implemented and continue to be improved, and information security management systems are audited and certified according to ISO 27001.

We protect personal data and privacy

Regulatory requirements and customers' concerns about data privacy is another area that involves complex risk and compliance solutions, as a failure in compliance can lead to fines and loss of customer trust. The provision of telecommunications services inevitably entails the need to process a wide range of personal data belonging to our customers. We strive to ensure that customers always understand why we process their personal data and what their rights are.

The Group complies with strict requirements under the General Data Protection Regulation (GDPR), which generally specifies uniform rules for all market participants operating in the EU and strict sector-specific rules under the e-Privacy Directive (Directive 2002/58/EC). The Group has various processes in place to manage information security and privacy and ensure that risks

are identified and managed, and that the integrity and confidentiality of all assets and information are protected at all times. For maximum data protection, we have adopted several policies governing data processing and various mechanisms such as encryption, anonymisation and pseudonymisation for both "data in transit" and "data at rest". Data protection officers and specialised security departments supervise compliance with information security and fraud protection policies in our business units. In addition to certification for ISO 27001 for information security management, we have also obtained certification for Privacy Management Systems according to ISO 27701 in some countries.

By creating a culture of cybersecurity awareness, we ensure that our employees understand the importance of information security and data privacy. The Group has a range of policies, guidelines and training programmes in place (e.g. data breach inventory and reporting, information management policy, procedures for managing the data processing inventory).

When it becomes essential, the Group works with the respective national law enforcement authorities on issues that focus on the safety of individuals and protection of the public from crime and terrorism in addition to the protection of critical infrastructure. Our legal obligations vary according to the country and type of services provided. Strict policies and processes are in place to ensure that all received requests are in accordance with the applicable laws.



O2 Security Case Study

The first defensive shield between the attacker and the end device

O2 Czech Republic offers a security package to protect mobile phones and all devices connected to modems – computers, phones, smart TVs and smart home devices – from cyberattack. O2 Security service blocks communication between the infected device and cybercriminals, thereby preventing remote control of the device. The security software recognises, for example, fraudulent e-shops and fake internet banking requests. When the user surfs the Internet on their mobile phone, computer or tablet, O2 Security monitors dangerous websites, and web addresses (URLs). When a user comes across a malicious address, the service delivers a warning and blocks access. The database of problematic or potentially dangerous websites is updated every minute.



In January 2022, O2 Security recorded 29 million attacks – the highest number in the first half of 2022, including 113 million cases of malware, up 44% on the previous month.

O2 Security intercepted 16 million of phishing attacks in the first half of the year, including a Facebook identification verification scam and e-shop scams.

O2 Security also detected 26 million attacks linked to cryptocurrencies, including malicious fake sites and fake crypto mining.

Reducing the Group's Impact on the

ENVIRONMENT

We strive to minimise the impact of our business on the environment and engage with employees, customers and suppliers to be environmentally conscious.

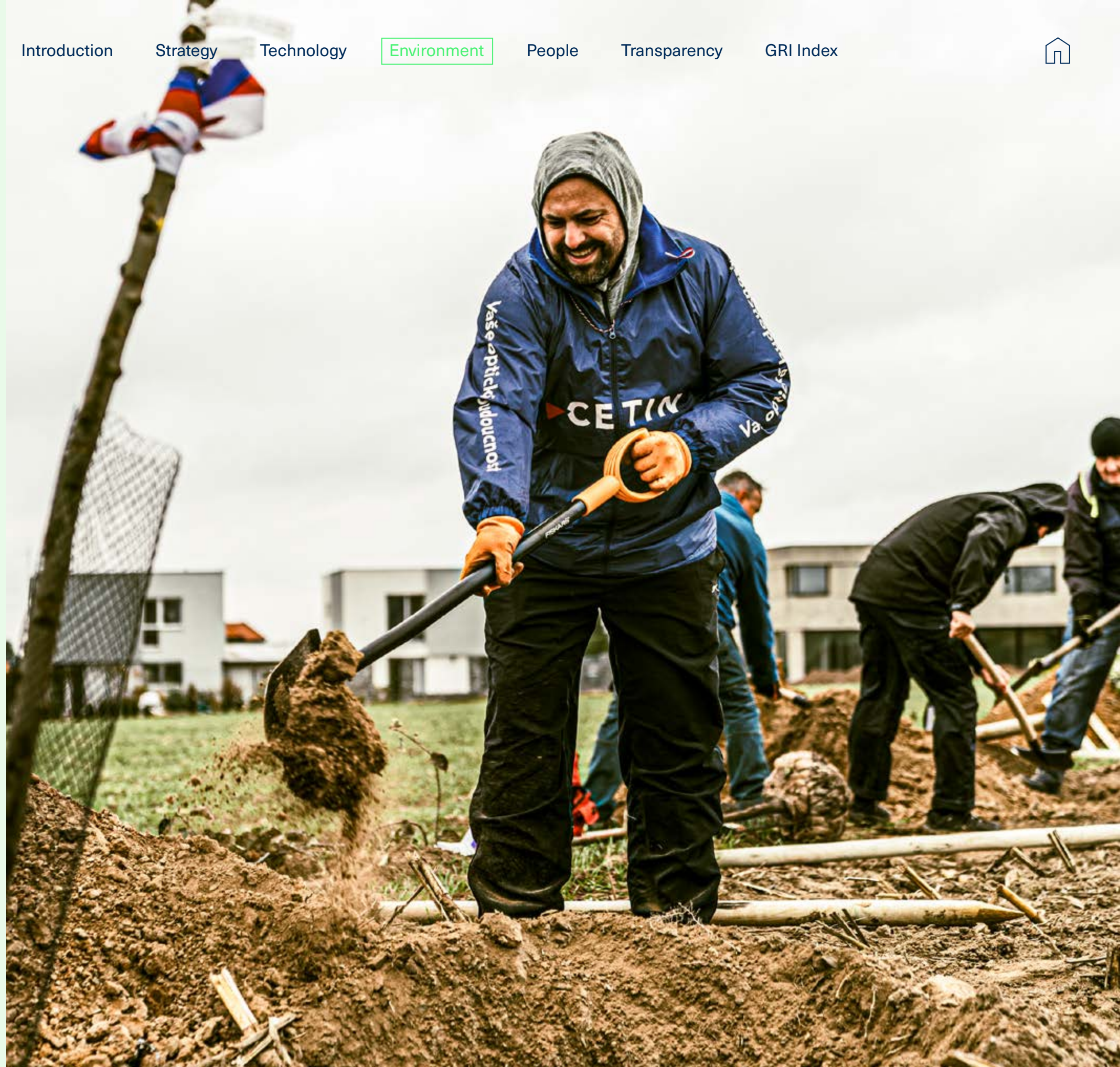


At PPF Telecom Group, we are fully aware of our environmental responsibilities in operating extensive telecommunications and network infrastructure and delivering services to millions of customers. The Group strives to minimise the impact of its business on the environment and follows all environment-related legal and other regulations. In addition to reducing our own environmental footprint, we also engage with employees, customers and suppliers to be more environmentally conscious.

To allocate its resources efficiently, the Group has prioritised energy efficiency and climate change, waste management and the circular economy as focus areas for its environmental strategy.

Although most of the Group's subsidiaries already have their individual environmental policies in place, we plan to formalise our Group-wide strategy in one overarching policy, articulating our commitments and environmental goals, to allow for effective implementation.

For this report, we collected relevant environmental data from across the Group. As we progress with our strategy, we are looking for continuous improvement in our data collection processes to ensure an accurate basis for reporting.





ENERGY AND CLIMATE CHANGE

Climate change is the most material environmental issue for our stakeholders and business, and is already affecting our region in many ways. Under the [Paris Agreement](#) of 2015, the EU committed to cutting greenhouse gas emissions in the EU by at least 40% below 1990 levels by 2030. In 2021, the target was revised to at least 55% reduction by 2030 and carbon neutrality by 2050.

Transmitting data and connecting devices to our networks and storing data on our servers requires significant amounts of energy. Most of the electricity we use is generated from conventional energy resources, and the recently experienced prominent cost inflation is one of the incentives to optimise the Group's energy consumption and seek alternative energy resources. Although most of the emissions generated by the Group's business are classified as indirect, our own assets also consume energy. The Group's network infrastructure is responsible for 88% of its energy consumption, and the remaining 12% is due to our offices and stores. As the traffic in our network grows, the more energy efficient we have to become. The Group already has some energy efficiency programmes in place to mitigate the increase in data traffic volumes.

To help us with our objective, the Group undertook a detailed exercise to calculate its greenhouse gas (GHG) emissions inventory for 2019–2021, including the direct and indirect emissions from our network and retail businesses for all five countries where we operate. We also explored options for energy efficiency, network modernisation and purchasing renewable energy.

The method used to calculate emissions follows the globally recognised Greenhouse Gas (GHG) Protocol standard and guidance, including the Corporate Standard, Scope 2 and Scope 3 Calculation Guidances, GeSI ICT Sector Guidance and the relevant guidances of the Science-Based Targets Initiative.

We have a control approach to define our GHG inventory boundary and account for all emissions linked to the activities of our customer-facing businesses (Yettel and O2 brands) and network operations (CETIN). For customer-facing subsidiaries, these include all owned or leased assets, regardless of operational control (such as leased buildings). For network operations, these include our own network activities and those from leased networks. Although PPF Telecom Group owns a 70% majority stake in CETIN, it reports 100% of emissions under this approach.



Energy and Climate Change

PPF Telecom Group GHG emissions inventory 2021

GHG Emissions (in thousands of tonnes)		
Scope 1	12	1%
Scope 2	209	25%
Scope 3	638	74%
- Purchased Goods and Services GHG Protocol categories: 3.1 Purchased Goods and Services 3.2 Capital Goods 3.4 Upstream transport	558	87%
- Rented network Upstream leased assets	41	6%
- Use of sold products Downstream charging of devices by customers	17	3%
- Fuel and energy-related activities Calculated from Scope 1 and 2	16	3%
- Other Downstream transport, travel, franchises, end-of-life treatment of sold products, waste, investments	6	1%
Total	859	

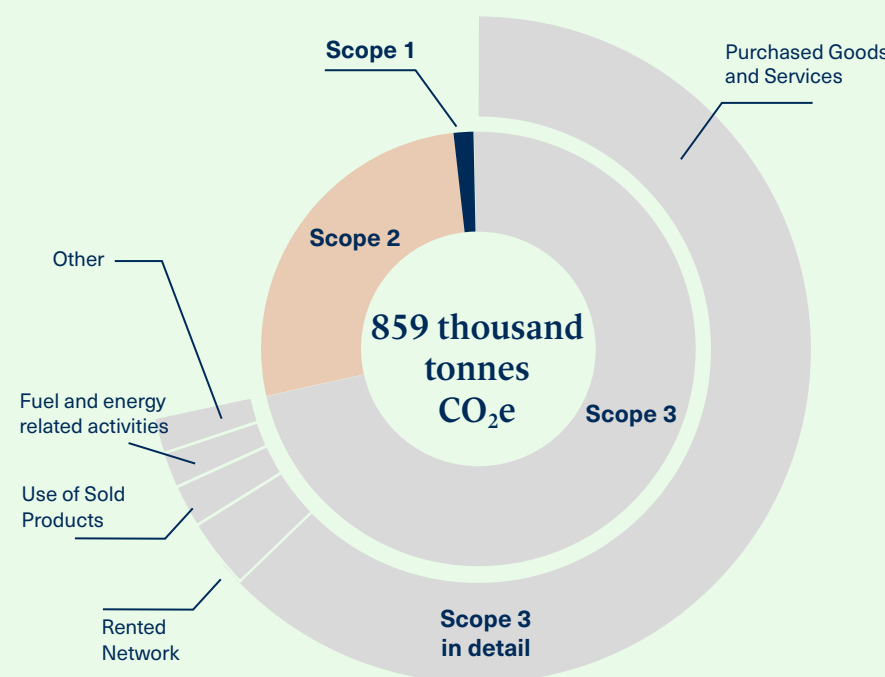
Using market-based method

Scope 1 – Direct

These are emissions under 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
- fugitive releases of refrigerants or fire suppressants used for air-conditioning or fire control systems in network buildings and offices

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



Using market-based method

Scope 2 – Purchased

These are emissions from electricity and heat purchased to power the Group's networks, technology centres, offices and retail stores. We have calculated the Group's Scope 2 emission using market-based methodologies. We used a kWh to CO₂e conversion factor for 2019 from the IEA for the location-based approach, and AIB European Residual Mix factors for the calendar year 2019 for the market-based approach. These are the latest available emissions factors at the time of writing.

Scope 3 – Indirect

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

- emissions from our suppliers in supplying us with goods and services
- emissions from network leasing
- emissions linked to the use of our products and services by customers



Scope 3 detailed breakdown

GHG protocol category	What does this mean for PPF TG?	Emissions (tonnes CO ₂ e)			Methodology	Ability to influence
		2019	2020	2021		
Purchased goods & services Capital Goods Upstream transport and distribution	Emissions related to manufacturing devices and network equipment, plus services purchased from 3rd party suppliers. Transport emissions from purchased goods & services from suppliers to PPF TG subsidiaries.	428 203	443 242	557 684	Calculated using spend-based emissions factors, covering the full purchase volume for each PPF TG subsidiary, differentiating by sector of supplier. Calculations include both operational expenditure (purchase of goods & services) and capital expenditure (capital goods), accounted for in the year when purchases are made. Spend-based EFs used are also inclusive of Upstream transport and distribution. Reviewing the spend-based EFs used, we have determined that the influence of upstream transport is minor.	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. Transport & distribution losses for electricity purchases in Scope 2.	15 452	15 055	15 877	Upstream emissions for fuels and refrigerants – LCA-based emissions factors are used. Electricity T&D losses - IEA emissions factors for 2019 are used.	High , directly proportional to level of control for Scopes 1 and 2
Waste generated in operations	Disposal and treatment of waste generated by activities of PPF TG subsidiaries.	20	24	34	Calculated via DEFRA/BEIS emissions factors for waste, applied to known physical volumes of waste reported to authorities.	High
Business travel	Transport of employees for business-related purposes.	284	51	98	Using LCA-based emissions factors, applied to distance travelled by mode of transport. Includes business travel for PPF TG subsidiaries + the PPF TG corporate office.	High
Employee commute	Transport of employees for travelling to and from work.	2 055	1 968	2 097	Using LCA-based emissions factors, applied to distance travelled by mode of transport. Data collected via internal surveys.	Low
Upstream leased assets	Emissions from networks operated by 3rd parties and leased by PPF TG subsidiaries.	30 875	37 005	41 047	IEA 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 transport and distribution	Emissions from transport of sold goods to PPF TG subsidiaries' customers, plus for services such as paper invoices.	516	778	610	Spend-based emissions factors are used, applied to the total volume of purchases of courier services for each PPF TG subsidiary.	Medium
Processing of sold products	Not relevant, PPF TG products do not undergo further processing.					
Use of sold products	Emissions from devices used by PPF TG subsidiaries' customers.	13 037	14 328	17 065	Energy used to charge or operate sold devices (phones, tablets, laptops, desktop computers) or the use of sold services (such as internet routers, IPTV, SatTV terminals) estimated based on average product use assumptions, multiplied by total sales volumes and applying IEA 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 sold by PPF TG subsidiaries, including decommissioning of devices used in providing services.	12	13	26	DEFRA/BEIS 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	Not relevant. PPF TG leases its network to 3rd parties, but emissions from its operations are already accounted for in Scopes 1+2.					
Franchises	Emissions from energy use in franchise stores.	371	874	1 458	Scope 1 EFs for fuels (GHG Protocol Cross-Sectoral tools) and Scope 2 electricity (IEA) applied to known energy used by franchise stores. For Hungary, energy use has been estimated according to floor space.	High
Investments	Emissions from operations of investments not otherwise included in Scopes 1 and 2.	2 092	2 092	2 092	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 CZ subsidiaries Bolt, O2 Financial Services, mluvi, Intens, Smart Home Security (SHS).	High

Note to the table: In the second half of 2020, PPF Telecom Group split its businesses into mobile retail subsidiaries (Yettel and O2) and a network operator (CETIN). To ensure a consistent GHG baseline, data for purchased goods and services in 2019 and 2020 have been allocated between retail and network subsidiaries following the asset split. This affects only the historical data for 2019 and 2020; for 2021, data are reported separately by each subsidiary. Shared services (principally office space) are allocated according to square metre of floor space as per internal sharing agreements and are not affected by this split.

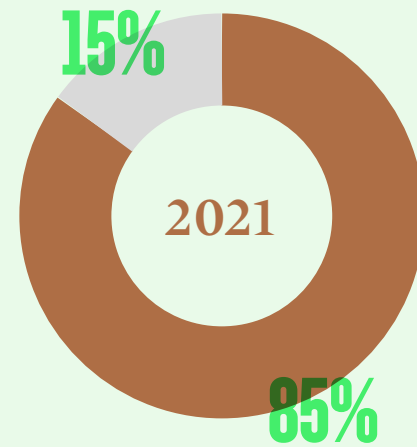
PPF Telecom Group abbreviated as PPF TG.



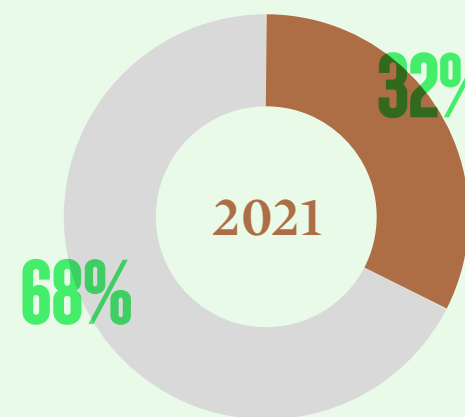
Energy and Climate Change

Our retail business units (O2 and Yettel) and infrastructure providers (CETIN) contribute evenly to the Group's emissions (Scope 1, 2 and 3) but with different origins – retail emissions are primarily generated by purchased mobile devices, while CETIN emissions arise from electricity use and indirect emissions result from the purchase of network equipment required for 5G rollout.

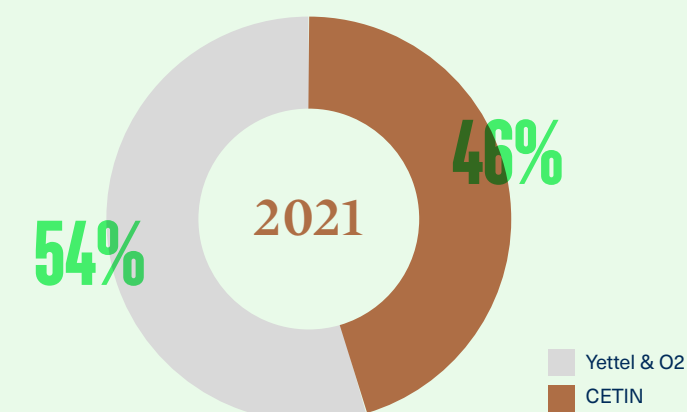
Direct Emissions (Scope 1+2)



Indirect Emissions (Scope 3)

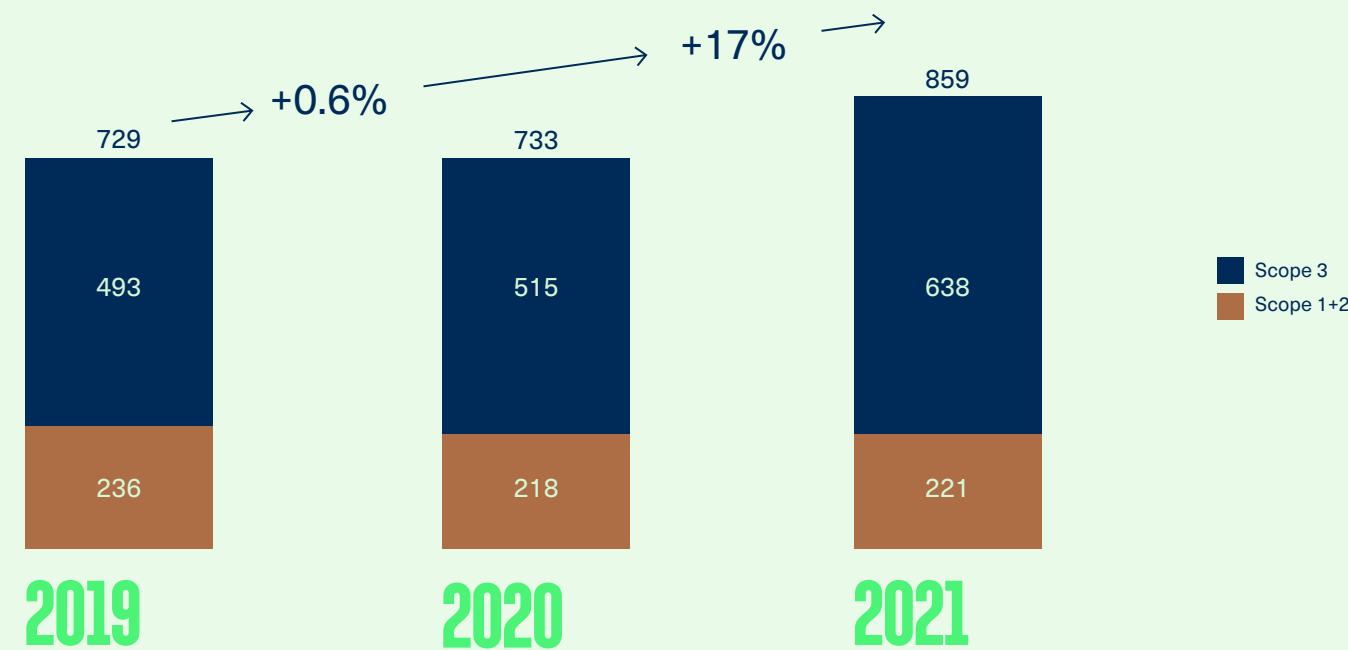


Total emissions (Scope 1+2+3)



Reducing the Group's GHG emissions will be challenging in the context of business growth as the amount of data carried across our networks grows. **The Group saw a growth of 17% in GHG emissions in 2021 compared to 2020, caused primarily by indirect emissions from the purchase of goods and services and network equipment for the ongoing 5G rollout.**

PPF Telecom Group GHG Emissions Trend (in thousands of tonnes)



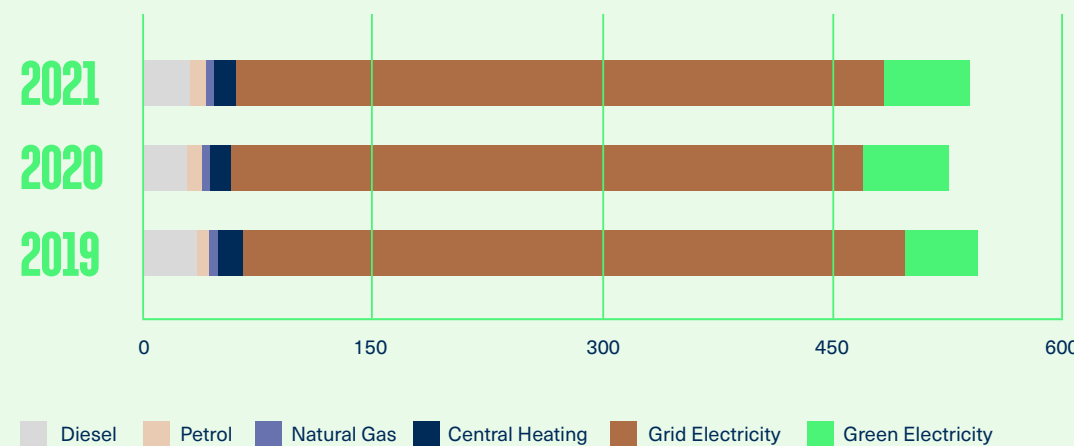
* for our inventory, this includes GHG Protocol categories 3.1 Purchased goods & Services and 3.2 Capital Goods

Energy and Climate Change

In 2021, the Group spent approximately EUR 92 million on energy, and as there is a potential risk of energy cost inflation in the future, implementing energy efficiency measures is a logical step. Our electricity consumption over the 2019–2021 period remained relatively stable, although the figures were affected by the COVID-19 pandemic.

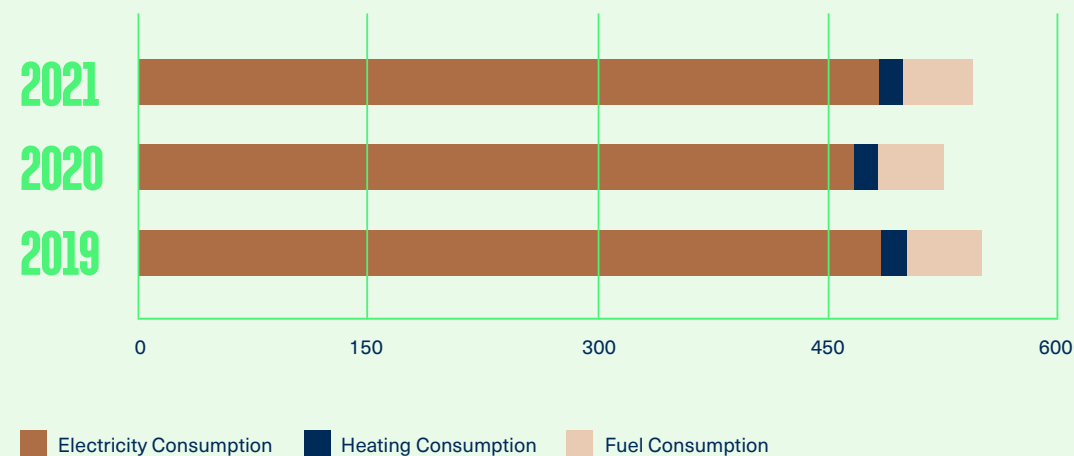
We aim to increase renewable energy in our mix

Energy Consumption by Fuel Source (in GWh)



We are focused on improving the energy efficiency of our networks and data centres

Energy Consumption by Type (in GWh)



Enhancing network energy efficiency at CETIN Czechia Case Study

Costs associated with energy consumption account for a substantial portion of mobile network operators' operating costs, and energy used to power them is often sourced from conventional resources such as coal or natural gas. In their efforts to reduce costs, operators are exploring alternative options such as renewable energy.

Using solar

CETIN Czechia has run two pilot projects to install photovoltaic panels on towers in a suburban area of Prague and a rural area in Usti nad Labem to test the grid energy savings potential and operational issues of dual powering the mobile network.

The first tower, with an initial average power consumption of 2.8 kW, was equipped with a photovoltaic system of 2.9 kWp, later upgraded to 3.75 kWp. From September 2020 to August 2021, solar power covered 17% of total site power consumption. In anticipation of a technology upgrade at the site and therefore higher electricity consumption throughout 2022, the photovoltaic system was gradually upgraded to a current peak power of 4.9 kWp. Over 12 months, the photovoltaic installation produced grid consumption savings of 5.1 MWh, equivalent to 18% of total site consumption. In the second pilot project, we installed 6.4 kWp photovoltaic panels at a site with an average power consumption of 4.8 kW, only this time the system included batteries of 21.6 kWh capacity to store excess solar power. Implementation of battery storage increased

the proportion of solar power used by charging the batteries during the day and discharging the batteries at night. Early data shows that solar power covered 21.7% of total site power consumption.

Network Sharing Agreements

The Group's subsidiaries in Czechia and Hungary use infrastructure network sharing agreements with other mobile operators to operate their mobile network infrastructures. Compared to individual network deployments and operation, reducing network duplication through sharing generates energy savings, has a positive impact on the environment (including fewer sites than individual networks in the respective country) and contributes to greater quality and service availability for customers. This applies especially to urban areas, where a large number of sites are required for state-of-the-art 5G but the availability of locations in central historical districts is scarce. It also applies to sparsely populated rural areas where network deployment and densification might otherwise be too costly for individual multiple operators.

We have estimated that our mobile network sharing activities in Czechia let us save about 6,178 MWh of electricity annually. We aim to advance the current network sharing schemes to the extent feasible commercially and in line with competition law and regulatory principles. Along the same lines, we will continue assessing the opportunities to introduce network sharing schemes in other countries where we operate.

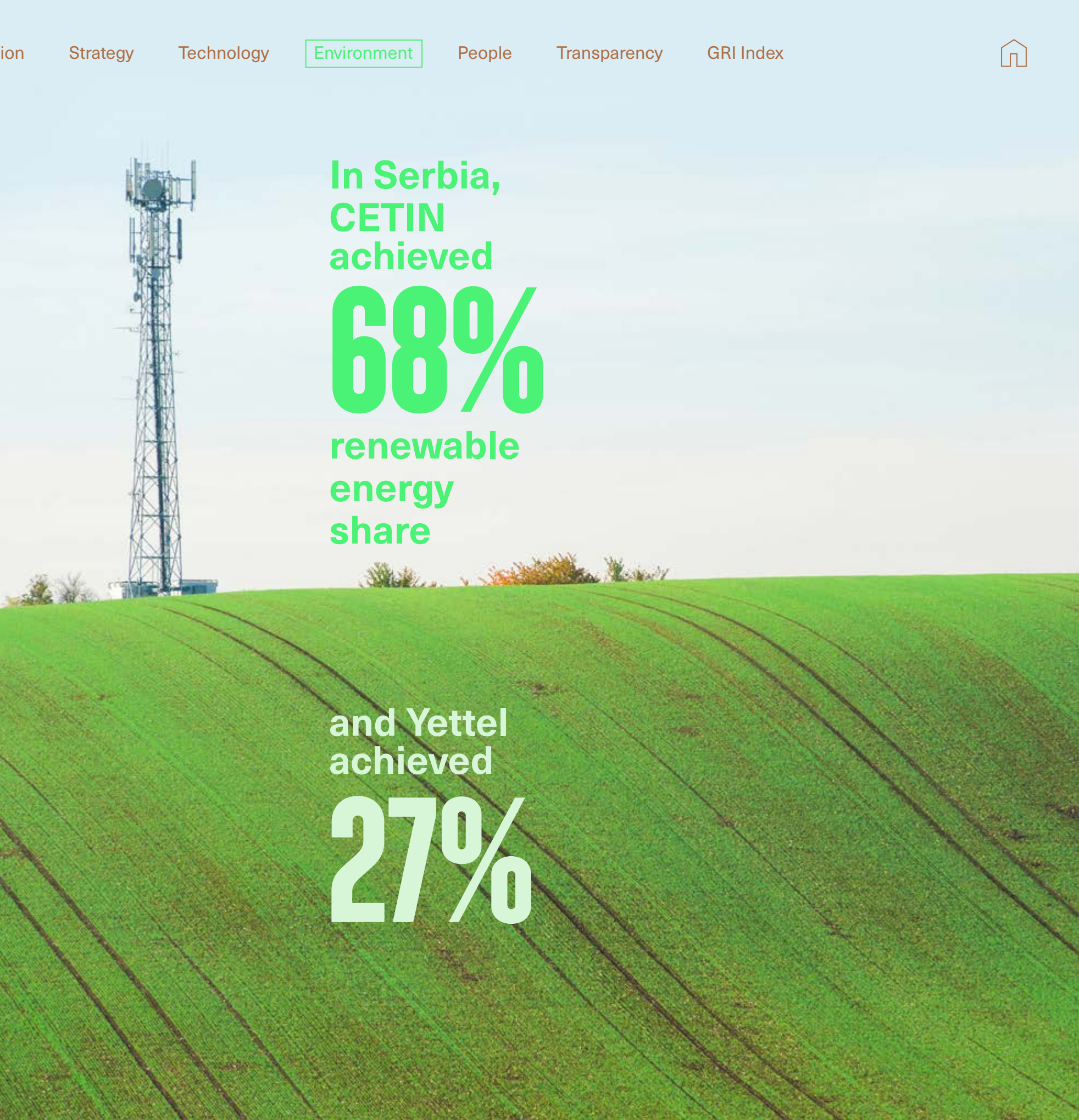
Energy and Climate Change

The Group investigates every opportunity to be energy efficient and energy responsible. We therefore started implementing ISO 14001 and ISO 50001 in our business units to deliver on our goals in addressing climate change. By 2021, we successfully rolled out ISO 14001 among all our business units. The Group underwent a standardisation process, because we understand that it plays a significant role in identifying and controlling the environmental impact of our activities, products and services. Precise measurement of our energy consumption was not ignored, and by 2021, we completed ISO 50001 certification in Czechia for both O2 and CETIN. These standards help us optimise our energy performance, whether in our offices, shops or other facilities.

The Group is aspiring to reduce its GHG emissions through a combination of energy efficiency and a shift to renewable energy. In 2021, only 12% of the energy we used was from renewable sources, attributable primarily to green electricity sourcing in Serbia, where CETIN achieved a 68% renewable energy share and Yettel achieved 27%. The Group will work closely with our operating companies to set targets to increase energy efficiency and increase the use of renewable energy and allocate investments for these projects. The Group will invest further in energy efficiency equipment across its networks and servers, particularly in power supply and cooling, and is planning to move towards purchasing electricity from renewable sources.

We estimate the Group's Scope 3 emissions for 2021 at 638,000 tonnes CO₂e, which is significantly higher than the combined Scope 1 and Scope 2 emissions of 220,000 tonnes CO₂e. The Group will therefore prioritise areas with the greatest opportunity to influence third-party GHG emissions, in addition to managing Scope 1 and Scope 2 emissions from operations. The Group is already working with its equipment vendors, paying especially closer attention to 5G network equipment so that it meets energy efficiency standards and incorporates power optimisation requirements.

Taking stock of our GHG emissions was just the start. We have commenced our environmental disclosure through the CDP reporting standard and committed to set near-term company wide emission reductions in line with climate science with the Science Based Targets initiative (SBTi). We believe these are major steps on the Group's path to reducing its greenhouse gas (GHG) emissions and demonstrate dedication to the issue.



In Serbia,
CETIN
achieved
68%
renewable
energy
share

and Yettel
achieved
27%

WASTE MANAGEMENT

In the course of our business, we create waste material which includes decommissioned network equipment, packaging material and mobile phones. Waste is generated by all our operations, from network engineering to offices and retail outlets. We apply waste management programmes in all our local markets, prioritising recovering re-using materials before recycling them responsibly. We use a combination of techniques to reduce e-waste, including recycling in accordance with applicable law, refurbishing to prolong the service life of electronic equipment and its parts, and applying available eco-design solutions.

“E-waste is one of the primary challenges in the telecommunication industry because it is currently one of the fastest growing sources of waste in the world. At Yettel Bulgaria, we understand the key role we have in addressing this problem. We were one of the first operators in Bulgaria in 2008 to establish a device recycling programme for our customers, but having a programme in place is not enough. This is why e-waste has been incorporated into our overall 2028 Sustainability Strategy. Our goal is to collect and prevent at least 127,000 kg of e-waste from going to landfill by 2028. By engaging our clients and employees to recycle their devices and accessories, we believe we can foster more sustainable living for the benefit of everyone.”



Galina Parmenter
ESG Senior Advisor
Yettel Bulgaria



Waste Management



Waste management & recycling

Case Study

Tackling electronic waste

Yettel Serbia is running a successful mobile phone recycling programme, creating a sustainable disposal system for devices that are no longer in use. To encourage customers to participate in the initiative, the company offers vouchers for the purchase of a new mobile phone, smartwatch or accessories. Since the start of the campaign in April 2021, Yettel has disposed of **more than 22 tonnes of electronic waste by recycling 309,000 electronic devices**, allowing nearly 7 kilograms of gold, 3 kilograms of platinum and palladium, and 3 tonnes of copper to be reused. Following on the mobile phone recycling programme, Yettel is expanding the programme to other electronic devices. Anyone interested can recycle their laptops, routers, tablets, modems, smartwatches and mobile phones, regardless of whether they are Yettel customers. And the company is not stopping there.

“We have set an ambitious goal to recycle at least one million devices by 2025, and we invite our fellow citizens to help us reach this goal and safely dispose of and recycle the electronic waste we create.”



Saša Filipović
Chief Commercial Officer
Yettel RS

Encouraging students and customers to recycle mobile phones

Yettel Hungary oversaw several campaigns in 2021 to support the recycling of electronic devices. In cooperation with the Ministry of Human Resources (EMMI) and the Ministry of Innovation and Technology (ITM), the company supported the “COLLECT WITH ME” used mobile phone, e-gadget and battery collection competition. The competition was joined by 183 schools, and between mid-April and the end of May, students collected more than **9,000** used mobile phones and e-gadgets and **nearly 23,000 kg** of batteries for recycling. The best performing student collected more than 1,000 mobile phones and e-gadgets.

In September 2021, the company launched a handset buyback campaign, offering a discount of HUF 20,000 on a new phone in exchange for an unused mobile phone. In one month, the company collected 2,087 kg of mobile phones. Together with the “COLLECT WITH ME” competition, with its exchange offer for Hiper tariff customers, the company **collected 3,465 kg of mobile phones in 2021**. The collected devices were handed over to specialised, properly licensed partners. The fate of recollected devices depends on their technical condition. Functional devices are repaired or refurbished and resold as used devices, often to other countries, where they can still be used for years, thus prolonging their useful life. Devices that are no longer functional are recycled for precious metals, which are extracted for reuse.

O2 recycled 31 tonnes of e-waste, equivalent to 16t CO₂e

O2 Czech Republic also has an e-waste programme in place. In 2021, **the company collected over 1,983 mobile phones and 6,763 kg of telephone equipment** through its stores and offices. For every collected phone, the company also donated to the charity Safety Line/Linka bezpeci, totalling over CZK 59 thousand for the year (on top of the regular support for the organization). As part of the ongoing recycling programme, O2 Czech Republic collected 31 tonnes of electrical equipment in 2021, and batteries were ecologically disposed of. By recycling the materials in the electrical equipment, the company **saved at least 16 tonnes of equivalent of CO₂ emissions**. This corresponds, for example, to 101,950 kilometres travelled by a small petrol car (up to 1.4 L engine capacity).

O2 Slovakia runs similar programmes and so far has **saved 2,31 tonnes of plastic** by introducing half-size SIMs and retrieving 54 kg from eSIMs.

Half-SIM and eSIM – reducing plastic

To reduce waste, **Yettel** has taken steps to implement environmentally friendly SIM solutions. Yettel Hungary has launched **half-size SIMs**, cutting in half the amount of plastic needed to manufacture and package the cards. Smaller SIMs have benefits over their larger size predecessors in manufacturing, transportation, warehousing and recycling. In terms of environmental impact, however, **eSIMs provide the best long-term environmentally friendly solution** by further eliminating the plastic waste generated by traditional SIMs. eSIM is a software-based solution that enables smart devices to connect to the mobile network. In terms of functionality, they surpass traditional SIMs. **Virtual SIMs cards were launched in 2021 at all Yettel business units.**

Waste Management



Biodegradable solutions benefiting biodiversity
Case Study

Eco-friendly mobile phone cases for the conservation of endangered birds

One of the most common accessories is mobile phone cases. Nearly everyone uses something to protect their mobile phone from damage, which is why this last consideration is very important. Unlike plastic items, fully biodegradable accessories do not pose an environmental hazard.

Yettel Hungary joined forces with the Hungarian Ornithological and Nature Conservation Society (MME) and Collect to prepare a limited series of **100% biodegradable plant-based mobile phone cases** for 10 May, the Day of Birds and Trees. The collection features the European stonechat, the Bird of the Year, and was designed by Panni Czikkely. **From every case sold, HUF 500 is contributed to the MME's Bird of the Year programme.**

We joined forces again later in the year to raise awareness to protect barn swallows (*Hirundo rustica*) and house martins (*Delichon urbicum*). These migratory birds return to the same nests every spring, but they are often destroyed in the meantime. To maintain the swallow population, it is vital to keep and protect nests, which requires raising public awareness on the issue.

To take this message to as many people as possible, Yettel, Collect and MME decided to raise public awareness on protecting nests with swallow-themed environmentally friendly mobile phone cases. As a first

step, the partners announced an open art competition for the graphic design. By the end of September, 634 artworks had been submitted, largely exceeding any preliminary expectations. The youngest applicant was five years old, while the oldest was 65.

Zoltán Orbán (spokesperson for MME), Bertold Fejes (Head of Sales and Marketing at Collect Hungary), Attila Mészáros (Corporate Communications Director of Telenor Hungary) and the graphics and product creator of the mobile phone case, which features the Bird of the Year Panni Czikkely, evaluated the submitted designs. Mihály Kövesdi (Újszász) was announced the winner. From the purchase price of each phone case, **HUF 500 will be donated to the MME bird protection programme.**

What makes a phone case environmentally friendly?

Our partnership aims to address a broader audience that is less familiar with natural conservation issues and to encourage more environmentally conscious behaviour in the public. Based on Collect's survey, Hungarians tend to use a mobile phone case for two years on average before throwing it away. **A fully plastic case poses an environmental hazard for more than 200 years. A fully compostable mobile phone case, however, is decomposed by nature in 6 to 24 months.**

A 100% plant-based (biopolymer and flax fibre) mobile phone case is an ideal choice for environmentally conscious customers. It doesn't include any chemical colouring and it is sold in recycled packaging.



“A recent survey shows that Hungarians have an average of five mobile phone accessories per person, and almost everyone protects their mobile phone with some kind of case. Putting biodegradable accessories into the spotlight can therefore have a meaningful impact. In a campaign conducted in cooperation with our partners, we wanted to draw attention to how personal action and attitudes can help protect the habitats of plants and animals.”

Anett Gulyás
Corporate Social Responsibility expert
Yettel Hungary





Waste Management

The preliminary data indicates that total waste generated by PPF Telecom Group amounted to around 4,196 tonnes in 2021, the majority of this classified as non-hazardous waste. The **amount of waste material that was recycled in 2021 was 991 tonnes**. Most of our hazardous waste consists of lead acid batteries used as emergency back-up power for radio base stations. We dispose of our waste in compliance with the applicable laws.

In Czechia, O2 and CETIN participate in the EKO-KOM collective system, established for joint compliance with the regulations for collecting and using packaging waste. Both have received an award for their contribution to improving the environment and reducing their footprint. Similarly, Yettel Bulgaria, received first prize at the annual competition for the Greenest Company in Bulgaria in the telecommunication sector. Authorised by the Ministry of the Environment, CETIN Czechia cooperates with the not-for-profit company REMA, which provides a complex waste solution for the collection, take-back and processing of electrical equipment.

Not only does the group recycle packaging, electronic and other selected waste, but its employees also actively participate in the recycling process through the primary selection of waste at the workplace. We train our employees in recycling and nature conservation. Our business units organise internal campaigns to motivate them and give them the opportunity to engage and take responsibility.

Listed below are some of our projects which have been very successful:

- The “Waste and Its Impact” campaign for the collection of old clothing and mobile phones and an exhibition of recycling cycles (Hungary).
- “Give waste a second chance”, which taught our colleagues different ways of composting and gardening in the city (Czechia).
- “Let’s NOT Waste Food” campaign for tips on how to make food last longer to reduce waste (Czechia).
- “One Touch Retention Initiative” programme for the promotion of paperless working (Bulgaria).
- “Plastic era” campaign to stop the use of water bottles in O2 Slovakia headquarters meeting rooms, call centres and its stores and to replace them with glass jugs and recyclable paper cups. The result was a reduction in plastic waste production of 160,000 bottles per year.

Special bins have been installed at our facilities with educational stickers and awareness initiatives. Yettel is moving towards the vision of a paperless company, and has already introduced an e-bill system to encourage customers and business partners to switch from traditional to e-bills and digitalise their contact with us. Customers can opt to receive and store their bills in a dedicated Yettel app.

Waste generation	2020	2021
Recycled	788	991
Total annual waste generated (tonnes)	3,438	4,196
Waste generation		
Total hazardous waste generated (tonnes)	486	455
Electrical equipment and batteries collected per year for recycling		
Total electrical equipment and batteries collected per year for recycling (tonnes)	503	316
Re-use or recycling of decommissioned network equipment		
Total reused or recycled decommissioned network equipment (tonnes)	326	278

We do not ignore environmental topics. The nature of our business means we are not a major water consumer, but we care about how much we use and look for opportunities to be more efficient. The water we use at our facilities is typically drinking water, water for sanitary use, water for maintaining gardens or water for use in the network infrastructure. Nevertheless, we keep improving our water management practices and increasing the general awareness of this topic in our business units.

We understand that there is still a significant amount of work ahead of us. We aim to progressively reduce the waste generated by our operations. To translate the policy to action, we will develop a waste management action plan to:

- Identify the most effective ways to collect, reuse and recycle waste such as paper, plastic, and cardboard at all our subsidiaries.

- Support the circular economy through eco-design and the refurbishment and reuse of electronic equipment (e.g. handsets, routers) collected from our customers.

- Reuse, resell or recycle our network equipment and other network waste (e.g. cables).

- Engage with our key suppliers and introduce packaging, waste management and circularity criteria into our contracts.

- Encourage our colleagues to behave responsibly and support our efforts to reduce the company's environmental footprint.

- Support our subsidiaries in their individual targets that are more ambitious than those set for the group.

Putting PEOPLE

at the Centre
of our Business

We seek the best talent while creating the best experience for employees, customers, and their communities.





BEING AN ATTRACTIVE EMPLOYER

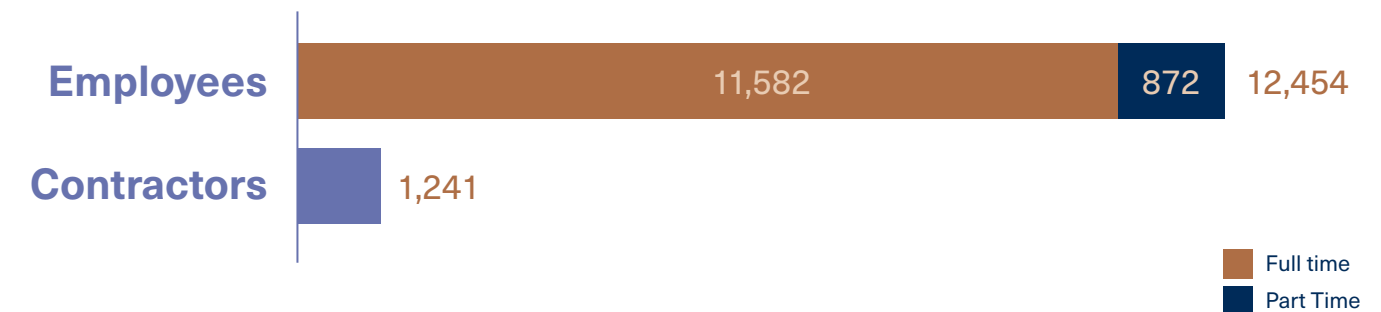


At PPF Telecom Group, we are fully aware that our people are the keys to our success. We seek out the best talent, look after employee health and wellbeing, and create working conditions that empower employees to be their best. We believe that with a content and motivated workforce, customers and the growth of the company will follow. We continuously strive towards our goal of being recognised as an employer of choice.

As of 31 December 2021, the Group employed almost 12,500 people in five countries. The Group strives to reflect the diversity of the communities it serves through a work culture that is ethical, inclusive and supportive of a range of talent. The Group creates more agile structures and fosters new ways of working to maximise employee potential and increase their motivation and personal growth. To achieve our goals, we will be introducing new initiatives and enforcing best practices across the entire Group.

PPF Telecom Group operates as a holding structure, and therefore certain policies and procedures have been decentralised to reflect the inherent differences between our various operations and legal frameworks and to better respond to employee needs. Despite this, all the Group's divisions are committed to safeguarding the health, safety and wellbeing of employees, customers, partners, suppliers and the communities where they operate.

The Group employs almost **12,500** people in **5** countries





Being an Attractive Employer

Looking after its employees and continual professional development is one of the Group's top priorities. The Group's main lines of action focus on:

1) Safety, health and wellbeing of employees

The health, safety and wellbeing of employees is one of the Group's top priorities. The Group invests in the best safety equipment and ongoing training for its employees. Suitable initiatives are in place to promote a culture of wellbeing at all levels of the organisation, offering benefits and support. Our most important health and safety target is to avoid accidents.

The records show that none of our employees have been injured fatally or suffered life-changing injuries, and our goal is to maintain this safety benchmark.

We do our utmost to reduce any risks to health and safety, especially for our technical experts.

The processes of identifying hazards, assessing risks and preventing accidents and occupational diseases are defined in the Group's Health and Safety Policies, which are set up individually at subsidiaries to reflect the local and business-specific requirements in each country.

To check compliance with safety standards, the Group's subsidiaries perform regular audits, on-site health and safety inspections, supervision, and robust site maintenance programmes. We ensure that employees are given the most suitable training for working with health and safety management systems.

The Group also runs numerous awareness campaigns.

How we do it, in detail:

Yettel Bulgaria's Health and Safety management migrated to the new standard ISO 45001 and was audited by TÜV NORD, which found no inconsistencies. The standard provides guidelines for:

- Assessing occupational health & safety risks
- Applying a proactive approach to health and safety in decision making and any activity that may pose a risk to health and safety to help prevent injury or damage to the health of our employees
- Continuously improving conditions at work by minimising the risks to our employees, customers and subcontractors and any other parties who might be exposed to health and safety risks as a result of the company's processes and services
- Creating occupational health and safety conditions that comply or even exceed, where possible, the requirements under the applicable legislation
- Complying with all applicable legislation, corporate governance documents and other requirements
- Constantly improving our health and safety performance by setting and regularly monitoring and reviewing our health and safety objectives
- Consulting with employees and encouraging their participation in managing health and safety issues. In this respect, we ensure that employees feel free to report any health and safety incidents, dangers, risks or opportunities without fear of retribution



- Ensuring employee competence by raising awareness of compliance and improvement of health and safety at work
- Drawing the attention of our suppliers and sub-contractors to the issues of health and safety at work and requiring them to demonstrate care and apply measures regarding health and safety
- Implementing the requirements of the international standard ISO 45001 to manage health and safety
- Continually improving the health and safety management system



**12,500 PEOPLE
IN 5 COUNTRIES.
WE STRIVE TO BE
AMONG THE BEST
TELCO EMPLOYERS
IN THE CEE.**



Being an Attractive Employer

2) Recruitment and retention of our employees and skills development

The competition for top talent across the markets where we operate is ever-growing. We understand the value that talented employees bring to the team, and we strive to give every individual with the appropriate training, support and opportunities for advancement that will enable them to pursue a long-term career with us.

The Group is working hard to offer a competitive and fair remuneration package in addition to social benefits, all according to local practice. We are redefining our ways of working so that we are more agile, digital, flexible and collaborative, and thereby increase the engagement, satisfaction, wellbeing and productivity of our teams.



Partnerships with universities

When the company looks for new talent, we actively cooperate with universities to access their diverse pools of knowledge. For example:

In cooperation with the School of Electrical Engineering, CETIN Serbia has designed the CETIN Pioneer programme to serve as a primary touchpoint between students and their first job or postgraduate internship, with our colleagues also lecturing in technical subjects.

- **CETIN Hungary** has joined with two universities, Széchenyi István University and Óbuda University, in partnership agreements to support Hungarian higher education by collaborating on internships, undergraduate education and master's degree programmes in mobile telecommunications, development of mobile technology and 5G network infrastructures.

- **CETIN Bulgaria** works closely with the Technical University Sofia and Naval Academy Varna, offering internships for students and other educational programmes.

- **CETIN Czechia** works with the Czech Technical University in Prague and the joint project office of the Department of Telecommunications Technology to provide a forum for addressing critical issues in cybersecurity.

7,982

employees covered by collective bargaining agreements in 2021

Improving interaction with our employees and taking the time to understand the things that influence and motivate them will help improve our corporate culture, employee engagement and the productivity of our organisation.

The Group will be conducting regular employee engagement surveys to better understand the needs of employees, with the aim of achieving more than 60% participation, and improving that score annually.

Unions

PPF Telecom Group respects its employees' rights to be members of unions, and we do not tolerate any retaliation or hostile action towards employees who choose to do so. We respect the core standards of the International Labour Organization (ILO), especially in regard to freedom of association and the right to collective bargaining. Many of our employees in Czechia, Serbia and Slovakia, where labour organisations are active, are covered by a labour framework that regulates their work conditions, including occupational health and safety clauses adapted to local legislation.



Being an Attractive Employer

The Group places great importance on creating and maintaining an attractive work environment where all employees can develop skills and strive in appropriate roles across the organisation. We provide robust training and development opportunities for our people by investing in refining and advancing our training initiatives. To better understand our employees' strengths, we provide regular work assessments and evaluations and offer further opportunities for improvement. Training is organised around the Group's needs, regulatory requirements and employee development plans.

470,111

training hours provided to employees in 2021

42

average training hours per employee in 2021

PPF Telecom Group Talent Development Programme

At PPF Telecom Group, we believe that succeeding generations of our leaders should be promoted primarily from within the organisation. We also recognise that we must invest in our people and culture with the aim of creating equal opportunities for all. We are therefore planning to set up a PPF Telecom Group Talent Development Programme aimed at increasing the diversity of our talent pool and eliminating any unconscious bias culture that may exist at our company. As part of this programme, we will introduce modules tailored to the specific needs of employees.

To leverage the female talent we already have in the Group and increase female representation in managerial roles, we will encourage women to pursue and accelerate their careers at PPF Telecom Group.

We also hope to encourage greater mobility across the group, enabling us to share knowledge and best practices company wide.

Examples of training courses organised in 2021:

- Mandatory training required by legal and company regulations: health and safety in the workplace, IT regulations, compliance, internal auditing and ISO standards.
- Professional training: technical (focus on developing 5G competence), IT, finance, etc.
- Leadership development training: courses designed to support managers (coaching, knowing and managing yourself, managing team time and priorities, meetings and collaborations, etc.).
- Soft skills training: communication skills, presentation skills, managing time, facilitating meetings etc.
- LinkedIn Learning online courses (available to all employees).



Being an Attractive Employer

3) Diversity, equality & inclusion

We recognise that individuals with diverse backgrounds bring valuable differences in perspective, culture, work ethics and ways of working to our company. One of the benefits of diversity in the workplace is that it helps reflect the world around us and capture our customer's needs, leading to better business solutions. We also believe that strong and diverse leaders are the foundation for a successful business.

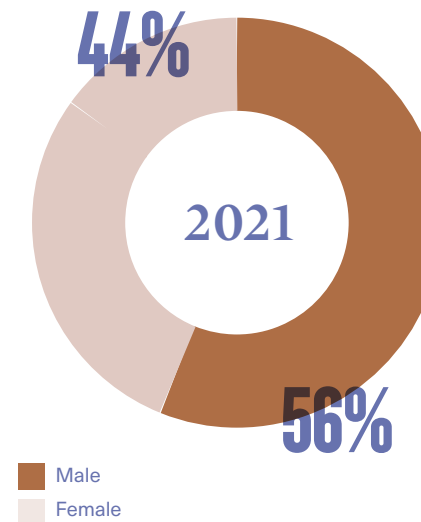
The Group aims to foster an inclusive work culture and leadership style by recognising, respecting and accepting the diversity of individual needs. The Group ensures equality in working conditions, opportunities and benefits so that employees can achieve their full potential in all areas of development. Although we do our best to employ talent equally, we still see a disproportionate number of women and men in the Group, especially in senior management and technical roles. At our subsidiaries, there are significant differences in diversity, and we are therefore aiming to apply best practices to deliver a more equitable environment across the entire Group.

The Group is developing multiple initiatives to improve diversity, awareness of diversity, and transparency across its business.

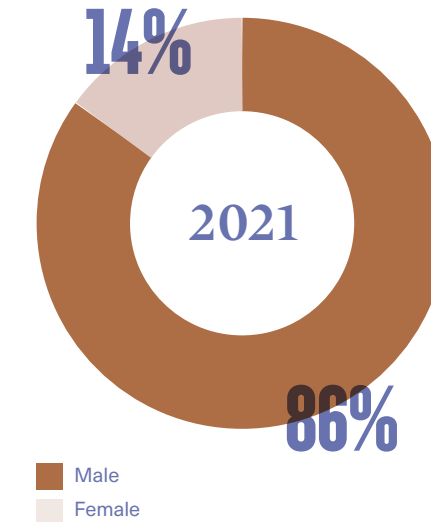
The Group is in discussion to:

- introduce unconscious bias training for all employees, but specifically to managers to help them understand the importance of their roles in shaping workplace culture and to guide them through recruitment and promotion processes
 - implement targeted recruitment strategies to reach a broader, more diverse pool of candidates across the Group
 - actively encourage our female employees to take part in the talent development programme to support their personal and professional growth
 - promote events and activities that celebrate and encourage inclusion in the workplace
- To achieve these aims, we value collaboration between all departments and expect commitment from each employee, with senior managers acting as role models.

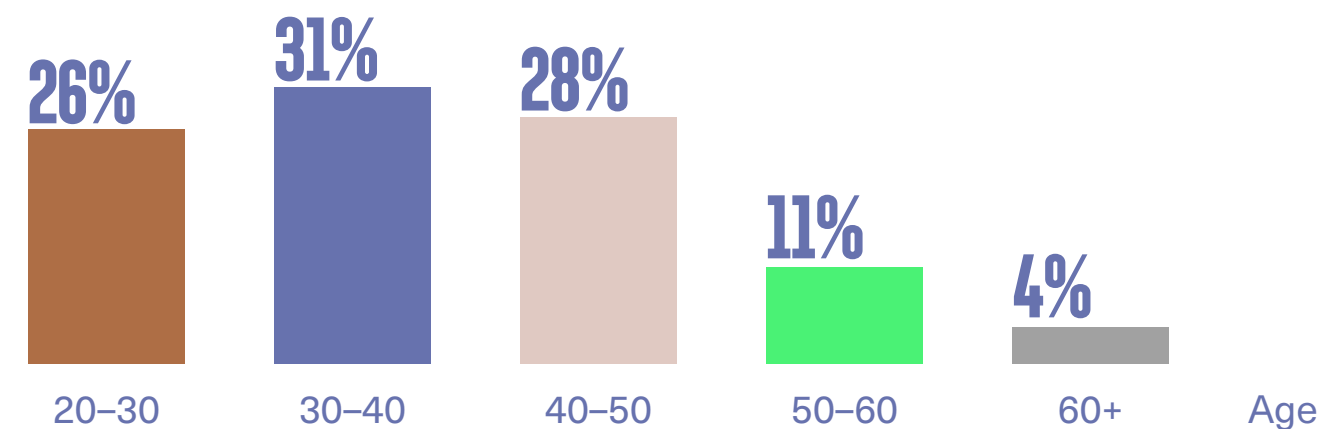
EMPLOYEES BY GENDER



GENDER SPLIT IN TECHNOLOGY ROLES (%)



EMPLOYEE AGE STRUCTURE





Being an Attractive Employer

“I ENJOY A CHALLENGE,” SAYS KATARÍNA VÁNIKOVÁ, DIRECTOR OF SALES AND SERVICES FOR THE MASS MARKET AT CETIN CZECHIA.



“SPENDING TIME WITH MY FAMILY, RUNNING AND THAI BOXING HELP ME MANAGE WORK-RELATED STRESS.”

“In 2011, I was looking for a job in Prague and found an advertisement for the position of senior project specialist at Telefónica’s (now CETIN Czechia) network division. All I understood about telecommunications was what the everyday user knew. I had to learn very quickly about the world of telecommunications and about investment in fixed and mobile networks. I learned the terminology, what networks consist of, and roughly how they work. No one expected me to become an expert in three months, but I had to have an overview in order to prepare analyses and be a useful partner in discussions.

With the new owner, I transferred to the finance department, overseeing investments, and later expanded my scope of responsibilities to operational costs and supervising mobile revenues.

At the beginning of 2019, we started preparing the Fiber to the Home (FTTH) networks programme, and I was given the opportunity to lead it. Although my background is in finance, I saw the project as an opportunity to work more closely with colleagues from technical divisions and to broaden my horizons. We dealt daily with all the possible problems and complications that can arise when you need to lay a cable in the ground. Enjoying a challenge, when the chance came to head the sales and service department, I did not hesitate. I have been in this position for over a year now and have no regrets.”



Side-by-Side programme Case Study

The Side-by-Side programme (formerly known as the Open Mind programme) is run in Bulgaria and offers professional development to people with disabilities.

The programme participants can apply for employment in different teams across the company and work on multiple projects for a period of 2 years. In return, Yettel provides an accessible and inclusive environment and multiple opportunities for personal and professional development. Each participant is also assigned a personal mentor who is an experienced Yettel employee. Our company corporate psychologist provides support and is available for consultation to participants, mentors and members of the team they work with.

6 participants enrolled in 2021

24 enrolled in 5 years

7 permanent careers with Yettel Bulgaria



UNDERSTANDING OUR CUSTOMERS



The Group works hard to understand its customers' needs and provide the best service experience. Customer satisfaction is one of the pillars on which the Group's business success stands.

We strive to provide high-quality connectivity that is also affordable. To ensure inclusive connectivity and access, the Group offers special prices to vulnerable and disadvantaged customers.

Customers today have more options than ever before and excellent customer service, can help us gain the upper hand on our business rivals. We believe that good customer service is all about meeting our customers' needs and exceeding their expectations. We train employees to keep up-to-date and be better informed about newly introduced services and developments, to understand the importance of customer service, and to be there to help, promote, and ensure that the customer is put at the centre of our business.



The Group will continue investing to improve its understanding of customers, their experiences, needs and desires to deliver the experience they expect. Regular customer satisfaction surveys will be conducted to collect and incorporate feedback so that the Group continually improves its services and product portfolio.

Because we place high importance on providing the best possible service, clear and accessible communication channels are in place for our customers. We are actively reaching out to our current and potential customers through targeted media communications, including social media.

“Young generations understand modern technology, and being online is part of their lifestyle. We therefore decided to activate the 5G network for all tariffs with the YOU offer, which is aimed at young customers. If they happen to be in a place with a high concentration of people, for example at a concert, and the area has 5G coverage, their experience with mobile internet will be much better with 5G than on 4G.”

Silvia Cieslarová
Marketing Director,
Consumer Mobile Marketing
O2 Czech Republic



Understanding our Customers



Customer Experience – always looking for improvements

Case Study

CETIN Czechia strives for innovation not only in developing its network infrastructure but also in its approach to end-customers. The customer's experience begins with CETIN, leads to the mobile operator and finally to the end-user. Using both online and

traditional advertising tools, CETIN has also changed how it communicates the CETIN brand, introduces the benefits of the fixed CETIN network to the public, and highlights the strengths of its infrastructure and quality of the network.

“We have introduced some significant changes over the past year. Our end-users can contact us in new ways, and the time it takes to resolve customer queries, complaints or claims has been reduced. An ongoing survey shows that 92–93% of our end-customers are satisfied with our technical support, performance and communication and that we are taking significant steps in the right direction. We also measure feedback at our call centres, and there is a 93% long-term satisfaction with our call centre representatives.”

Jakub Stehlík
Head of Customer Experience
CETIN Czechia



Winning awards for our services

Case Study

In 2021, **Yettel Serbia** performed excellently in NPS, network NPS, customer satisfaction, brand loyalty, and brand preference. For the fourth year in the row, the Yettel network has won Best in Test acknowledgment in a comparative measurement of network quality conducted by independent international technology company UMLAUT (last award received in April 2022).

In October 2021, Yettel's Sales Training & Development Area won the Silver Award at the International Customer Experience Awards 2021 for its sales employees' education and engagement during a time of crisis. Internally designed educational events branded as “Sales Arena” have played a critical role in strengthening front liners to be remarkable representative faces of the premium brand. ICXA is a global programme that celebrates the incredible work done by customer experience (CX) professionals, with entrants from all over the world. It brings the world's top organisations together to compete for the most coveted accolades in CX and share customer experience achievements with a global audience.



Best in Test for the fifth time

Case Study

The network of **Yettel Bulgaria** was awarded Best in Test network in Bulgaria by Umlaut for the fifth time in March 2022. Previous awards won were in April 2021, September and March 2020, and in 2019.

Umlaut's mobile Benchmarking is concentrating on recent developments such as the 5G user experience, video experience, reliability and new developments in our crowdsourcing data, including voice call evaluation. Fixed broadband benchmarking introduces active testing components to the existing set of evaluation criteria, which include download speed, upload speed and latency for broadband technologies in copper and fibre cabling. The scoring methodology includes a worldwide ranking at the national level. For the latest measurements in Bulgaria, extensive analysis has been done, and 35 thousand users have contributed 69 million samples over six months (W38 2021 to W09 2022). In the nationwide assessment, 95% of urban “built-up areas” and 96% of population areas have been tested. With an overall score of 927 points, Yettel's network has ranked the best in Bulgaria for the fifth consecutive year and ranks among the top 25% of mobile networks tested by Umlaut worldwide in 2021/22. The fifth Best in Test is also a landmark since it now also includes our rapidly expanding 5G network, which today covers 165 cities around the country. This award is the highest attestation of the teamwork and excellent collaboration between Yettel and CETIN Bulgaria and is proof of the heights we can reach when we are united in our mission to lead the way for telecommunications in Bulgaria.



MOBILE TELECOMMUNICATIONS TECHNOLOGY AND HEALTH

(Network Deployment)

Safeguarding the health and safety of everyone – our employees and the wider public – is one of our top priorities, and therefore, in accordance with the applicable EU and national health and safety regulations, it is a pre-requisite for operating in a safe and efficient manner.

Mobile telecommunications technologies (e.g. mobile phones) transmit and receive radiofrequency electromagnetic fields (RF EMFs) in specific ways that enable communication to occur. Our base stations and mobile devices operate according to the guidelines set by the International Commission on Non-Ionizing Radiation Protection (ICNIRP), an independent advisory body that works in collaboration with the World Health Organization (WHO). The research undertaken so far shows that if the levels set by ICNIRP are followed, the electromagnetic fields generated by mobile technology are not hazardous to human health.

All above mentioned guidelines incorporate substantial safety margins to deliver protection for everyone. We fully comply with such limits, including new devices for 5G, new radio masts and small cells, and the EU toolbox for 5G security (the toolbox lays out a range of security measures aimed at mitigating risks effectively and ensuring that secure 5G networks are deployed across Europe). However, some people still remain concerned about the impact of mobile devices on their health, and we are actively engaging in industry-wide initiatives that foster an open dialogue. We are also communicating about potential risks and how to mitigate these with the owners and residents of houses where we want to build base stations (BTS).

**Mobile Telecommunications Technology and Health**

As an infrastructure provider, CETIN ensures that its active site infrastructure is designed and built to comply with the applicable electromagnetic fields emissions (EMF) standards and regulations, including the internationally recognised standards of the ICNIRP. For example, in Czechia, CETIN follows the framework set by the Public Health Protection Act (No. 258/2000 Coll.). The Act stipulates that before beginning or changing any mobile base operation in a residential zone, the operator must calculate and measure exposure limits according to the methodology set by the State Health Institute to avoid any potential harmful effects. The limits observed by CETIN are set by a government regulation which is fully in line with ICNIRP guidelines and the relevant EU level legislation on electromagnetic fields. In Hungary, EMF regulations are fully harmonised with the EU (2004/40/EC) directive on electromagnetic field exposure limits. CETIN Hungary complies with these set thresholds when it builds or modifies sites and also performs independent on-site measurement if required by the regulation. In Serbia and Bulgaria, the national standards regarding EMF are stricter than those imposed by the EU, and CETIN complies with these national regulations.

As the owners of the spectrum licences, mobile network operators are ultimately accountable for compliance with radio frequency EMF emissions and international and local guidelines. For example, O2 in Czechia follows the GSMA (Global System for Mobile Communications Association) standards and the Public Health Protection Act (no. 258/2000 Coll. and no. 291/2015 Coll.). The network deployment process

Some people still remain concerned about the impact of mobile devices on their health, and we are therefore actively working on industry-wide initiatives to foster open dialogue.

We are also communicating about the potential risks and how to minimise these with the owners and residents of houses where we want to build base stations (BTS).

includes an evaluation of the relevant hygienic requirements, including radiation limits, as part of the standard project documentation, and all network-related processes are subject to regular audit activities (both internal and external ISO 14001 and ISO 50001 compliance audits).

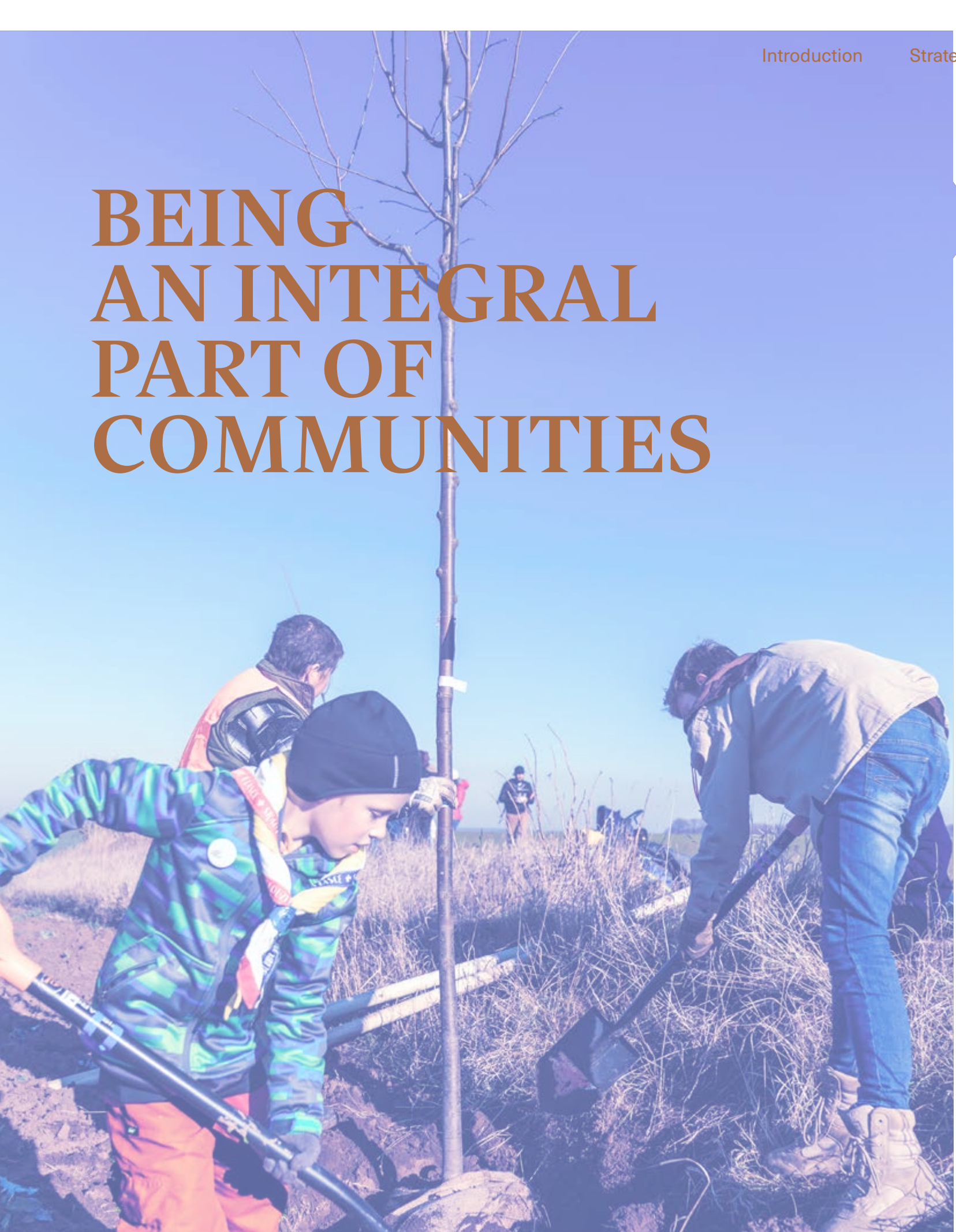
The mobile devices we sell through our retail portfolio must also comply with strict health and safety standards and regulations at the national and local levels. Before launching a mobile phone onto the market, manufacturers and importers must ensure that all relevant tests have been performed and demonstrate that the mobile devices comply with all limits and other requirements specified in EU directives.

General Best Practices at PPF Telecom Group:

- Operation of mobile networks within national guidelines that are based on or exceed international guidelines set by scientific bodies such as the International Commission for Non-Ionizing Radiation Protection (ICNIRP).
- Implementation of programmes that guarantee compliance with electromagnetic field (EMF) regulations under all possible operating conditions.
- Regular monitoring of the findings of independent national and international expert bodies on the topic.
- Established teams that address concerns associated with electromagnetic fields (EMF) and 5G, remain aware of topics related to mobile communications and health and safety and inform stakeholders of their findings.
- Active engagement with municipalities, local industry associations and advocacy groups regarding network deployment.



BEING AN INTEGRAL PART OF COMMUNITIES



PPF Telecom Group has been a long-standing supporter of educational, cultural, sporting, environmental and other philanthropic activities, contributing to economic growth and improving the quality of life in the countries where it operates.

In addition to providing financial donations and material support, the Group is also using its technology and expertise to improve people's lives locally through charity partnerships and volunteering. We partner with organisations and focus our work on digital skills and literacy, areas where we believe we can deliver the greatest change.

In 2021, PPF Telecom Group's companies and employees collected and donated over EUR 3.3 million to charitable causes, supporting sport, educational and healthcare activities organised by local organisations.

Over
EUR 3.3 M
donated by
PPF Telecom Group
to charitable causes
in 2021



“At O2, we were built on the principles of freedom, fairness and transparency. These principles have helped us adapt and improve the Slovak telecommunications market. Along our journey, we understood that perhaps we could transfer these values beyond the boundaries of our business. This is the purpose of Fair Foundation O2. Established in 2014, the foundation has supported hundreds of values-based educational projects and redistributed more than EUR 1 million in charity.”

Natália Tomeková
Internal Communication and CSR
Manager
O2 Slovakia



Being an Integral Part of Communities

Examples of our
not-for-profit projects:

O2 Foundation 2021

Through its Foundation in Czechia, O2 supports projects for the development and protection of the environment and local communities. We deploy O2's technologies, services and expertise with the aim of helping people use digital technology safely and productively.

Verify before you believe, Czechia

Our main theme for 2021 was media literacy. At the beginning of the year, we launched the "Verify before you believe" campaign, including polls entitled "Fact vs. Fake" and a quiz on how to recognise false news and misinformation.

O2 Smart School, Czechia

The Foundation's flagship project "O2 Smart School" has been running since 2018, helping teachers, parents and children better navigate the digital world and teaching them about cybersecurity. For more details, please see page 47.

Plant Trees initiative, Czechia

The O2 Foundation also helps with programmes to develop and protect the environment. It was a patron to O2's Sázej stromy.cz (Plant Trees) volunteering project, in which 87 of our colleagues joined in the organised activities, planted 3,450 trees and cleared forest areas after logging in natural park reservations in Brdy and Krkonoše and villages Tichonice, Dolní Břežany and Chlumeč nad Cidlinou.

Helping victims of the tornado in Moravia, Czechia

In June 2021, a tornado struck the south of Moravia and caused a disaster of unprecedented scale. The O2 Foundation organised an internal fundraising campaign and our employees raised CZK 576,300, which the Foundation topped up with another CZK 500,000. The total proceeds of CZK 1,076,300 were donated towards rebuilding the primary school in Moravská Nová Ves.

Freedom is (still) not granted, Czechia

In the past, human rights were not always upheld in Czechia. As the country's leading provider of telecommunications services, O2 wants to encourage open discussion through our social campaign #SvobodaNeniSamozrejmost (Freedom Is (Still) Not Granted) to remind us all how vulnerable freedom is and that it should not be taken for granted (see more at svobodanenisamozrejmost.cz).

Being an Integral Part of Communities

Examples of our not-for-profit projects:

CETIN Group 2021

CETIN Group donates significant financial resources to PPF Foundation to support organised sports, cultural, educational and healthcare activities in local communities. In 2021, CETIN donated more than CZK 52 million to the Foundation and other philanthropic activities.

Partner of Prague Spring International Music Festival, Czechia

CETIN Czechia has been a partner of Prague Spring International Music Festival since 2016. After several years of sponsoring the festival, CETIN is now supporting the live broadcast of the opening concert in cooperation with Czech Television.



Partner of Běhej lesy, Czechia

Supporting a healthy lifestyle, CETIN Czechia has partnered with the organisers of “Běhej lesy/ Run through the Woods”, a series of eight races through Czech forests. Under this initiative, CETIN will also plant one tree for each competitor who takes part in the race to protect the woodlands.

Celebrating the 100th anniversary of the foundation of Czechoslovakia in 2018, CETIN joined in planting trees for “Avenue of Freedom”, which will leave a lasting legacy near Říp mountain for future generations.



Planting trees in Science Technology Park, Serbia

CETIN Serbia employees planted 300 trees at the Science Technology Park in Belgrade, where Serbia's first test 5G radio base station is located.

Being an Integral Part of Communities

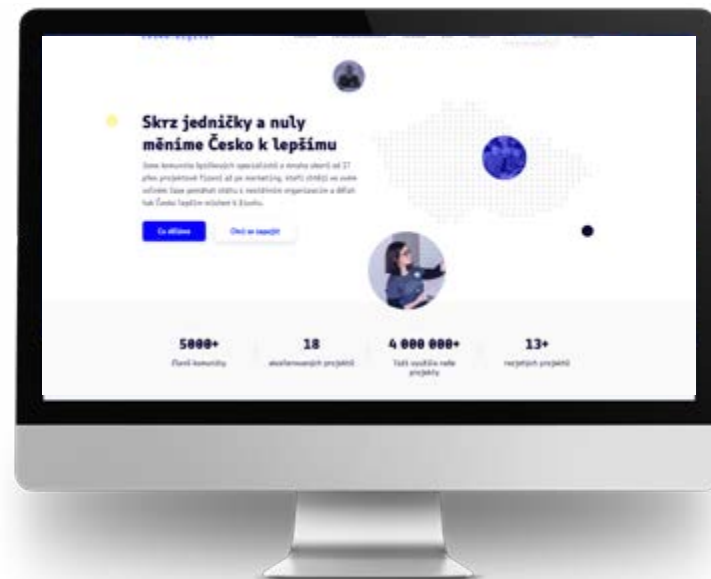
Supporting digitalisation of healthcare Case Study

CETIN Czechia donated over CZK 50 million to charitable causes in 2021, with a significant portion of the proceeds distributed by PPF Foundation, which supported 29 projects through partnerships, consultations, and financial support.

In the spirit of our efforts to support projects that help develop technology for a sustainable future, we are especially excited that PPF Foundation decided to aid these projects in health and the digitalisation of healthcare.

Česko.Digital is a platform with the vision of becoming a European leader in expert volunteering in the areas of innovation and digital technologies.

By creating a community of professionals with diverse backgrounds (from IT to project management and marketing), the platform will assist non-governmental organizations and government institutions with digital transformation to make Czechia a better place to live.



PPF Foundation's support helps Česko.Digital create infrastructure and a supportive environment for stability and long-term planning.

Česko.Digital has teamed up with the non-profit organization **Loono** to raise public awareness about the importance of early detection and prevention of serious life-threatening diseases.

The Foundation's support is channelled primarily into developing the mobile app **Preventivka**, where complete information about the prevention of serious and civilizational diseases is available in a clear and attractive form. The aim is to encourage the Czech

citizens to visit their general practitioner regularly for preventative examinations, and to equip them with comprehensive verified information. The launch of the app is about more than health awareness. It also places



a great practical tool into people's hands that helps them look after themselves. The app reminds them when they have or need to make an appointment for a preventive check-up.

Both projects benefit from the Founda-

tion's support, mutual inspiration and the sharing of experience.

A 21-year-old student is behind the first Czech mobile application **Do not Panic/ Nepanikar** designed to provide quick psychological help in a crisis. She came up with the idea after realising that a tool like this was unavailable in the Czech Republic. The application provides a quick initial psychological help for free. It includes modules for depression, anxiety/panic, self-harm, thoughts of suicide, your records, eating disorders and contacts for professional help.

Today, the app is available in nine languages. The project also promotes discussion of often taboo topics related to mental health, provides online counselling and consultations, and organises training on mental health in schools. Currently, over 40 volunteers, including students of psychology and social work, psychologists, social workers and therapists, work at the organization. The Nepanikar project has won awards such as the Gratis Tibi Award and Forbes 30 under 30.





Being an Integral Part of Communities

Examples of our not-for-profit projects:

Yettel 2021

Protecting the environment is on our list of priorities across the entire Group. Our environmental and social activities are organised through foundations or directly in cooperation with employees and partners.

Plant Your Shade, Serbia

In Serbia, Yettel foundation (formerly Telenor foundation) provided 6,000 white ash seedlings to participating citizens in almost 100 locations across the country in the “Plant Your Shade” project.



“Corporate Social Responsibility is part of our company’s DNA, and deeply embedded in all aspects of our business. Supporting projects in environmental protection, education, culture, art, and the inclusion of marginalised groups, in addition to working with partners who share our values, is a priority of Yettel and Yettel Foundation. One of the projects we are very proud of is “Plant your shade”. Through this project, Yettel Foundation will save 144,000 tonnes of CO₂ emissions per year, which is 4,320,000 tonnes of CO₂ over the next 30 years. But its most important aspect is that the project engaged citizens throughout Serbia to create a healthier environment not only for themselves and each other but for future generations.”

Milica Begenišić
Manager of Yettel Serbia Foundation
Yettel Serbia



With Speed to the Stars, Serbia

We appreciate the importance of physical activity in keeping healthy and well, as people spend more time in front of TVs, computers, and other mobile device screens. Yettel Serbia, in cooperation with the Serbian Athletics Federation (SAS), runs the successful project “With Speed to the Stars”, which actively promotes sport and physical activities for primary school students. The project has been running for several years, and despite Covid-19 restrictions still being in place in 2021, 350 schools participated in 32 events at 26 cities and 15 Belgrade municipalities. All the required epidemiological measures were observed during the competitions. The project won the “Campaign With a Purpose” 2021 competition, awarded by The Festival of Socially Responsible Communication.

Charity Christmas, Hungary

We try to support and protect vulnerable people. Yettel Hungary has been working with children’s homes for years, and we decided to dedicate the proceeds from our Christmas campaign to the Children’s Bridge Foundation, which supports orphanages and the volunteers who work with them. We released a book that retells the story of the little match girl and donated the proceeds from its sale and other donations from the project, which totalled HUF 800,000,000 and provided 150 mobile phones and services to the Foundation. We also raised HUF 200,000 for the charity through our Christmas Cookie Fair.

Planting trees at Plana Mountain, Bulgaria

Protecting the environment is on our list of priorities. In 2021, as part of the Blue Gardens project at Plana Mountain, Yettel Bulgaria’s employees and their families planted 350 spruces. The volunteers also cleaned and prepared the land before planting the trees, and the company has committed to looking after the trees for the next two years. All participating employees were given a day of paid leave, in line with the company’s policy.

Acting with

TRANSPARENCY

and Integrity



Our business stands on a strong ethical foundation. As a trustworthy and reliable business partner, we are also strengthening our sustainability through the transparency of our operations and undertakings.



CORPORATE GOVERNANCE – ACTING WITH INTEGRITY

An experienced management team backed by a committed, long-term shareholder with a strong track record

Incorporation

The limited liability private company (besloten vennootschap met beperkte aansprakelijkheid) PPF Telecom Group B.V. was incorporated on 16 October 2013 under the laws of the Netherlands. The company changed its name from PPF Arena 1 B.V. to PPF Telecom Group B.V. on 24 February 2020. The articles of association (statuten) are available at <https://www.ppftelecom.eu/corporate-governance/by-laws>.

Shareholders

PPF Telecom Group B.V. is indirectly owned and controlled by the estate of the late Mr Petr Kellner, who died in March 2021, and through the direct and indirect ownership and control of a 98.93% interest in PPF Group N.V., the indirect sole shareholder of PPF Telecom Group B.V. The remaining shareholders of PPF Group N.V., Mr. Ladislav Bartoníček and Mr. Jean-Pascal Duvieusart, each own a 0.535% interest. PPF Group was established in the Czech Republic as an investment fund in 1991 and has since developed into a global investment group and one of the largest investors in Central and Southeastern Europe. It is active in multiple geographies and industries which include banking and financial services, telecommunications, media, and biotechnology and real estate. PPF Group has a long-term investment horizon and actively supports its holdings.

Management Board

The management board is the statutory body of PPF Telecom Group B.V. and is composed of the company's management. The Management Board directs and represents the company. Members of the Management Board are appointed by the general meeting of PPF Telecom Group B.V. and may be suspended or dismissed by the general meeting of PPF Telecom Group B.V. at any time. In accordance with the Articles of Association of PPF Telecom Group B.V., the Management Board is composed of at least one or more managing directors. Each member of the Management Board is authorised to solely and independently represent PPF Telecom Group B.V. In performing its duties, the Management Board must be primarily guided by the best corporate interests of the company (vennootschappelijk belang) and the business it is linked to. This means that the Management Board should consider the interests of the company as a whole, not only the interests of shareholders but also the interests of employees, creditors and other stakeholders, including local communities.

PPF Telecom Group B.V. has a two-tier structure. The Management Board is composed of three directors. Currently, the other tier, i.e. the supervisory board, has not been established.



Corporate Governance – Acting with Integrity

The following table specifies the members of the Management Board appointed as of 31 December 2021:

Name	Position	Commencement of current term of office
Jan Cornelis Jansen	Managing Director	16 October 2013
Lubomír Král	Managing Director	16 October 2013
Marcel Marinus van Santen	Managing Director	1 June 2015

The business address of all members of the Management Board is Strawinskylaan 933, 1077 XX Amsterdam, the Netherlands.

The size and composition of the Management Board and the combined experience and expertise of its members should reflect the best fit for the profile and strategy of PPF Telecom Group B.V. This aim for the best fit, in combination with the availability of qualified candidates, has resulted in PPF Telecom Group B.V. currently having a Management Board in which all three members are male.

There is no statutory requirement regarding the minimum number of meetings of the Management Board.

Audit committee

Because PPF Telecom Group B.V. does not have securities traded on a regulated market, it is not a Public Interest Entity and not obliged to establish an audit committee. However, the ultimate parent company, PPF Group N.V., has established an audit committee that may also serve as an audit committee for the company.



Jan Cornelis Jansen (Managing Director)

Jan Cornelis Jansen has been a member of the Management Board since October 2013. He joined PPF Group in 2007 and since then has held the position of legal counsel and company secretary of PPF Group N.V. In 2012, he became vice-chairman of the board of directors of Home Credit B.V. and from July 2015 he has been a member of PPF Group N.V.'s board of directors. Before this, he held legal positions at various companies.

Mr Jansen holds an LL.M in Dutch Law, specialising in economic, public and business law, from the Universiteit Utrecht. He also has a post-graduate qualification in company and corporate law from Grotius Academie (Nijmegen) and a post-graduate qualification in employment law from Vrije Universiteit Law Academy (Amsterdam).



Lubomír Král (Managing Director)

Mr. Král has been a member of the Management Board since October 2013. Mr. Král has also held the position of general counsel of PPF Group, and since March 2007, he has also been a member of the board of directors of PPF a.s. From 1997 to 1999, Mr. Král worked in the legal department of the settlement centre of the Prague Stock Exchange. Mr. Král has a degree in Czech law from the Faculty of Law of Charles University in Prague and also attended Prague University of Economics.



Marcel Marinus van Santen (Managing Director)

Mr. van Santen has been a member of the Management Board since June 2015. Before joining the Group in 2007, Mr. van Santen served as a financial executive at leading international IT companies, such as Cisco.



Corporate Governance – Acting with Integrity

Senior management

The Management Board of PPF Telecom Group B.V. is supported by a layer of executive senior management. The entities under its control consist of the CEO, CTO, executive director for CEE, CCO, senior executives of CETIN Group N.V. (and entities under its control) and the CEOs of PPF Telecom Group B.V.'s operating subsidiaries. All members have extensive experience in the telecommunications sector, mainly in Central and Southeastern Europe. The top level of management in operating subsidiaries has vital local knowledge and expertise.

Using the Management Board's objectives for subsidiaries, senior management formulates the strategy for PPF Telecom Group B.V., oversees regional activities to deliver these objectives, and manages the transfer of knowledge between subsidiaries to spread best practices across the segment's commercial, purchasing, organisational, technological, procurement, financial and other operations. The role of subsidiary management teams is to deliver the operational and financial objectives set by PPF Telecom Group B.V. and to manage the commercial, financial, and regulatory aspects of the subsidiary's operations.

The following table lists the senior management members appointed as of 31 December 2021.

Name	Position	Commencement of current term of office
Balesh Sharma	Chief Executive Officer	18 July 2022
Roman Staněk	Chief Technology Officer	15 February 2020
Marek Sláčík	Executive Director CEE	April 2021
	Chief Commercial Officer	
Jan Kadaník	Chairman of the Board of CETIN Group N.V.	1 September 2020
Juraj Šedivý	Chief Executive Officer of CETIN Group N.V.	1 September 2020
Jindřich Fremuth	Chief Executive Officer of O2 Czech Republic	1 January 2018
Igor Tóth	Chief Executive Officer of O2 Slovakia	1 January 2021
Peter Gažík	Chief Executive Officer of Yettel* Hungary	1 January 2021
Jason King	Chief Executive Officer of Yettel* Bulgaria	1 September 2018
Mike Michel	Chief Executive Officer of Yettel* Serbia	8 October 2018
* formerly Telenor		

From 1 January 2018 to 18 July 2022 the CEO was Ladislav Bartoniček



Corporate Governance – Acting with Integrity

**Balesh Sharma (Chief Executive Officer)**

Mr. Sharma has been the Group's chief executive officer since July 2022. He joined PPF Group after two decades at Vodafone, where he has held senior management posts in several countries. During his career, he spearheaded improvements in market share, customer satisfaction and network quality at Vodafone's units in Malta, the Czech Republic, India and South Africa. In India and South Africa, Mr. Sharma managed operators with over 300 million and over 42 million active subscribers, respectively. He has also invested in, advised and mentored early-stage technology start-ups operating in various segments, including artificial intelligence, machine vision, fintech, retail automation and security. Mr. Sharma holds a Master of Business Administration in Marketing & Finance and a Bachelor of Engineering in Mechanical Engineering from University of Rajasthan.

The head of each of the Group's segments is involved in weekly meetings held by senior management. Senior management also has 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 at the appropriate level.

The strategy of PPF Telecom Group B.V. and its subsidiaries is executed at three levels – PPF Group, PPF Telecom Group B.V. and its operating subsidiaries. Annual and long-term strategic plans are prepared annually, with a detailed bottom-up approach and approved at by PPF Group as the shareholder of PPF Telecom Group B.V. PPF Telecom Group B.V. primarily focuses on optimising and achieving synergies, organic growth, investments into infrastructure, innovation and technology, and improving efficiency to strengthen its business resilience, leverage its core expertise, and develop new business areas.

**Marek Sláčik (Executive Director CEE, Chief Commercial Officer, Chief Sustainability Officer)**

Mr. Sláčik has been the Group's executive director for PPF mobile operators in Hungary, Bulgaria, and Serbia since April 2021, adding Slovakia to his remit recently. Since September 2022, he has been overseeing the PPF Telecom Group's sustainability agenda. Since 2018, he has also held the position of the Group's chief commercial officer. Mr. Sláčik joined PPF Group in 2018. Before joining PPF Group, he held the position of chief commercial officer at Beeline Russia, part of VEON, one of the largest integrated telecommunication operators in the world. He worked for seven years in various executive management roles, including CEO of Telenor Denmark and CMO of Telenor Sweden and Telenor Serbia. Before that, he held marketing and management positions telecommunications operators O2 Czech Republic and Vodafone Czech Republic. Mr. Sláčik has a master's degree in business administration and marketing from the University of Economics in Prague and completed the Stanford Executive Programme at the Graduate School of Business, Stanford University.

**Roman Staněk (Chief Technology Officer)**

Mr. Staněk has been the Group's CTO since February 2020. He joined PPF Group in 2018 as the Head of Telco procurement. Mr. Staněk has extensive experience in the telecommunications industry. Before joining PPF Group, he was CTO at Veon Eurasia region, overseeing technology in seven operating companies. Before that, he worked at the headquarters of Telenor, Veon and Vodafone. Mr. Staněk also has significant international experience. He worked for many years in different managerial roles in the Czech Republic, Netherlands, Norway, Ukraine, Germany, Bangladesh and India. Mr. Staněk has a degree in engineering and specialisation in telecommunications from the Czech Technical University in Prague.



We act ethically and with integrity

As a part of PPF Group, PPF Telecom Group B.V. and its subsidiaries must comply with all legal regulations and international treaties throughout its areas of operation and activities and in relation to any third parties and public authorities and its associates.

PPF Telecom Group B.V. and its subsidiaries operate as a holding structure, and therefore certain policies and procedures are decentralized to reflect the inherent differences between its various operations and legal frameworks.

The principles of the PPF Group Code of Ethics are enforced across PPF Telecom Group B.V. and its subsidiaries to prevent corrupt practices, manage workplace safety, protect personal data and preserve the environment during operations. PPF Telecom Group compliance programmes establish the principles and rules of conduct for employees and enable the procedures for checking and removing shortcomings when they are discovered and eliminating any objectionable or illegal conduct.

PPF Telecom Group B.V. subsidiaries have individual submission systems in place. These include, but are not limited to, dedicated ethics email addresses and web-based forms on the subsidiary's website.

The Group processes any submission by an employee regardless of the nature of the complaint.

PPF Group respects the law of the countries where it operates and any territories where its companies and subsidiaries are engaged in activities that may be affected by PPF Group's activities or conduct. In all acts or endeavours performed on behalf of PPF Group or for its benefit, PPF Group and its subsidiaries must comply with and respect the relevant legal regulations and standards and represent PPF Group in their behaviour in a manner that preserves PPF Group's reputation and does not raise any doubts about its activities. Subsidiaries may act only and strictly in compliance with the values and rules outlined in the PPF Group's Code of Ethics to prevent any harm to PPF Group, its name and reputation.

PPF Telecom Group B.V. strictly condemns and rejects any behaviour or activity that is not in accordance with applicable laws and regulations. PPF Telecom Group B.V. and its business partners are obliged to refrain from any acts or activities that could be considered as acts or activities that are contrary to applicable public laws and regulations and could therefore be regarded as a criminal offence, administrative offence, or infraction.

Human Rights & Fair Labour

At PPF Telecom Group B.V. and its subsidiaries, we respect, uphold, and protect the fundamental human rights of everyone we work and engage with. We have zero tolerance for any violation of those rights, including the use of child labour, forced labour or human trafficking. We also stand for the rights of women and minorities and believe in providing a fair wage to all employees, while still respecting their right to freely associate and collectively bargain.

Anti-Bribery

The Group is committed to the highest standards in professional and ethical conduct, with zero tolerance for bribery and corruption. Our anti-bribery policy, company training and procedures maintain complete compliance with the applicable laws and regulations of the countries where we operate.

Anti-Harassment

We strive to facilitate a professional environment that prioritises cohesion and tolerance between team members. No matter the circumstance, we do not condone any form of harassment. This includes any form of discrimination against gender, race, religion, national origin, disability or sexual orientation. If harassment occurs, employees are obliged to report the violation to a manager, the Human Resources department or the ethics hotline. It is our policy to act promptly and address the reported issue so that our employees always feel protected.



Risk management

PPF Telecom Group B.V. has implemented a robust set of risk management procedures throughout all material segments to ensure business continuity and emergency preparedness. The uncertainties and risks that PPF Telecom Group B.V. may be facing are continually identified by all segments and evaluated for their potential financial impacts and likelihood. Operating risks in the segment primarily concern issues of network capacity and quality, business-critical systems and cybersecurity. PPF Telecom Group B.V.'s dedicated executive team plays an important role in further improving the resilience of the segment against operating risks by transferring best practices across the segments and deciding on investment programmes and future developments for critical network and systems capabilities. All subsidiaries of PPF Telecom Group B.V. comply with the EU's General Data Protection Regulation and the derived national laws and regulations.

Related parties

PPF Telecom Group B.V. has a related-party relationship with its parent, subsidiaries, and associates. All transactions with related parties are disclosed in the relevant documents such as the financial report. Furthermore, the Management Board, close family members of such personnel and other parties who are controlled, jointly controlled, or significantly influenced by such individuals and entities in which the individuals hold significant voting power are also considered related parties. PPF Telecom Group B.V. did not conclude any transactions with these related parties in 2021 and 2020.

Regulatory investigations

Network Sharing Agreements

O2 Czech Republic and T-Mobile Czech Republic are parties to two long-term agreements regarding the mutual sharing of their respective networks, (i) the Network Sharing Agreement dated 29 October 2013, concerning the active sharing of their respective 2G/3G mobile networks in the Czech Republic and (ii) the Network Sharing Agreement dated 2 May 2014, concerning the active sharing of their 4G LTE mobile networks in the Czech Republic (collectively, the Network Sharing Agreements). As a result of CETIN's spin-off from O2 Czech Republic, CETIN replaced O2 Czech Republic as the counterparty to the Network Sharing Agreements.

Under the Network Sharing Agreements, T-Mobile Czech Republic is the master operator of the shared network for the western part of the Czech Republic, while CETIN is the master operator for the eastern part. Prague and Brno are excluded from the Network Sharing Agreements. The master operator owns and operates the active technology on all sites within its region, while ownership of the passive infrastructure (including the sites) remains unchanged, and ownership of the spectrum remains with the retail operators T-Mobile Czech Republic and O2 Czech Republic.

In 2016, the European Commission notified the parties about the initiation of proceedings concerning the suspected infringement of Article 101 of the Treaty on the Functioning of the European Union (agreements disrupting competition in the internal market) in relation to the cooperation between the parties to the Network Sharing Agreements. After this notice, the investigated parties provided

extensive information and documents as per respective RFI's of the Commission. On 7 August 2019, the Commission issued a statement of objection, expressing its intention to issue a decision that the network sharing agreements constitute a breach of Article 101 of the Treaty and will potentially impose a financial fine or other remedies. A formal oral hearing (after the Commission decided to extend the investigation against the controlling entities of the operating entities, i.e. in the case of PPF entities, PPF Group N.V.) was held from September 15 to 17, 2020. All investigated participants summarised their defence against the concerns of the Commission, including all factual, legal, economic and technical arguments and evidence supporting the position of the participants. After the oral hearing, communication with the Commission started in order to obtain agreement on the closure of the investigation through the Commission's acceptance of the commitments offered by the concerned entities. In August 2021, the Commission adopted a preliminary assessment under which it reduced its concerns and formally enabled the investigated parties to offer the discussed commitments. The parties responded to the preliminary assessment and rejected the concerns, but after deep discussion with the Commission, offered such commitments.

The commitments comprise limitations on the rules for exchanging information and undertake not to extend sharing in the areas of Prague and Brno nor the quick modernisation of equipment used for sharing. The parties are now obliged to implement the commitments under the supervision of the monitoring trustee. The commitments will terminate individually between 2025 and 2033.

Hungary

The Hungarian Competition Authority has been investigating the 800 MHz network sharing cooperation entered between Telenor Hungary (today operating as Yettel Hungary) and Magyar Telekom since 2015.

As of the date of this report, the proceeding is ongoing, and Yettel Hungary has been cooperating with the Hungarian Competition Authority to show that no breach had occurred.



STAKEHOLDER ENGAGEMENT – ACTING WITH TRANSPARENCY

At PPF Telecom Group, we are aware of our responsibilities towards customers, employees, business partners and investors. Engaging closely with our stakeholders lets us better understand their evolving expectations, inform our strategy and share our plans and progress. We consider an open and transparent dialogue an important part of our operations. Actively engaging with our stakeholders at the local and global levels gives us greater insight into their interests and needs and lets us address any potential issues effectively and promptly.

To meet the growing interest in our sustainability credentials, we are focusing on improving our reporting capabilities and strengthening our sustainability governance. We will be meeting regularly with investors and analysts to discuss our sustainability strategy and results and engaging more intensely with our suppliers.

The Group is committed to operating its business ethically, lawfully and with integrity in all its markets, as this is critical to long-term success. We are establishing policies and procedures to make sure the Group's operating practices meet not only our own expectations but especially those of our stakeholders.



Stakeholder Engagement – Acting with Transparency

PPF Telecom Group ESG Governance

Our sustainable business strategy has been designed to ensure close alignment between its business goals and the maximum possible socio-economic benefit achievable through these goals. We provide an overview of the governance processes that underpin the Group's approach to a sustainable business strategy. The strategy summarised in the report was created with input and advice from a wide range of stakeholders and was formally approved by senior management as the highest executive body of PPF Telecom Group.

Ensuring a commitment to effective operational implementation, **the ultimate accountability for our sustainability strategy rests with the CEO and the newly established PPF Telecom Group Sustainability Executive Committee.**

The committee is led by the **Group's Chief Sustainability Officer** and supported by the Group's senior management. The committee will review the progress of the Group's sustainable business strategy on a quarterly basis and be responsible for ensuring the accuracy and timeliness of the Group's sustainability-related disclosures.

To define and lead sustainability-related activities **we are establishing the PPF Telecom Group Sustainability Steering Committee.** The committee will meet monthly and work with the Group's local

market and professional function teams to advance the various programmes, projects and initiatives presented in this report. Implementation of the sustainable business strategy relies on leadership within the relevant business areas – the committee provides advice and guidance while supporting the operational delivery of the Group's sustainable business agenda in conjunction with sustainable business specialists in each of our local markets.

The Management Board of PPF Telecom Group will receive an update on the progress of the Group's sustainable business strategy once a year.

To fully integrate our sustainability strategy into our organisation, we will need to educate and encourage everybody in the company to support this objective.

We will be introducing sustainability-related training across the entire Group with the aim of achieving 100% participation by senior management and at least 50% employee participation by 2023.

One of our priorities is to **introduce supply chain integrity across the entire Group.** We will also encourage those who work with us, directly or indirectly, to adopt sustainable business practices.

We will be developing a comprehensive supplier engagement plan over the next 12–24 months and establishing policies and procedures to start a dialogue with our key suppliers to align our values on climate change, ethics, health and safety and product stewardship. We are aiming for integrity in our supply chains by managing many different legal, social, ethical and environmental risks.

Industry Associations

As a leading telecommunications player in the CEE region, we proactively participate in the industry associations that create the future of telecommunications.

PPF Telecom Group is a proud member of Global System for Mobile Communications (GSMA) which represents more than 750 mobile operators and an additional 400 companies in the broader mobile ecosystem. Broad and professional representation gives us an opportunity to form and participate in various industry initiatives and cooperate on future network and technology standards. Our long-term goal is to contribute to creating and promoting a fair and sustainable mobile network and delivering functional and future-proof solutions.

In 2021, PPF Telecom Group joined the Telefónica IoT Partners programme to participate in building an ecosystem that supports industry interaction and promotes the evolution of technology and connectivity solutions. The partnership programme promotes industry experience sharing and creates an environment to prepare new generations for tomorrow's challenges by supporting education, training, and professional workshops.



Stakeholder Engagement – Acting with Transparency

Stakeholder Groups

Stakeholder Dialogue & Responses

	CUSTOMERS	EMPLOYEES	INVESTORS, SHARE-HOLDERS AND LENDERS	SUPPLIERS	COMMUNITIES	GOVERNMENT AND REGULATORS
Stakeholder expectations:	Product quality (e.g. design, functions, convenience), service quality (e.g. responsiveness, reliability & consistency), value for money, information and privacy protection.	Career security and development; competitive compensation and benefits; work-life balance; respect and fair treatment; occupational health, safety, and wellbeing.	Transparency of business information, prompt and accurate disclosures, good risk and crisis management, disclosure of ESG in business strategy, operations and financial instruments (e.g. response to climate change, sustainable supply chain, and proper monitoring of human rights and OHS).	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 of negative social and environmental impacts, listening to and communicating with the local community regularly.	Continuity of services, regulatory compliance, involvement in new public policies, government initiatives, and best practice sharing, participation in local or national government initiatives.
Engagement approach:	Engagement surveys, face-to-face, social media, over the phone interactions, mobile applications, emails to customer contact points.	Engagement surveys; performance appraisals, and individual development plans; internal channels for employee complaints and whistle blowing; CSR-related activities to foster a social responsibility mindset.	Regular investor relations events, meetings and dialogues with financial institutions and bondholders, regular publications and press releases on the PPF Telecom Group website.	Regular meetings and other engagement activities.	Regular site visits and meetings with community leaders, engaging with community members through employment, sourcing and other community development activities.	Meetings with the appropriate regulatory bodies and representatives, participation in industry-wide initiatives.
Our initiatives and responses:	Training for excellent customer service, developing new products, services and delivery channels, conducting and responding to feedback surveys, enhancing cybersecurity and data privacy protection policies and procedures, developing the customer product portfolio.	Code of conduct, human resources policies and procedures in place and aligned with applicable laws and enforced through regular training, promoting good workplace behaviour, diversity, equity and inclusion between team members through policies and internal communications, offering career paths and competitive salary and benefits, developing and implementing talent management programmes, conducting annual employee engagement surveys and performance assessments, providing channels for employees to safely voice their concerns, organising Corporate Social Responsibility (CSR) activities to foster social responsibility and enhance relationships between employees.	Publishing annual reports and sustainability reports, providing transparent and prompt company updates.	Establishing sustainable supply chain approach, reviewing and improving the procurement process and communications to satisfy mutual needs.	Acting as a responsible member of the community, providing local employment and local business support, encouraging and supporting local community-related projects, partnerships, CSR programmes and campaigns, including donations and advocacy.	Sharing best practices and research, participating in government initiatives as applicable.



Stakeholder Engagement – Acting with Transparency

Value chain mapping

Value chain mapping is a process through which the Group attempts to identify the main activities linked to its services or product lines for the purposes of finding performance opportunities and assessing the company's impact caused by product sourcing, transport, development, use and disposal. This impact can range from greenhouse gas emissions and waste production in the environment to social factors such as labour practices or governance risks.

The following diagram captures important information about how PPF Telecom Group contributes to sustainable development overall. The sustainability topics identified as the most relevant material to PPF Telecom Group reflect the organisation's significant economic, environmental and social impact and are fundamental considerations in assessments and decisions made by stakeholders. The Group have an impact through its own activities or as a result of business relationships with other entities. The diagram attempts to capture the areas where a material topic might have an impact and the organisation's involvement in this process. It illustrates not only the Group's impact directly linked to its activities, products or services but also any impact where it contributes indirectly through a business relationship.

The middle part of the diagram breaks down the Group's value chain, i.e. PPF Telecom Group and third party (e.g. suppliers, partners, customers) activities that are performed upstream and downstream of the Group's operations and are directly or indirectly related. The upper part of the diagram shows key stakeholders and the part of the value chain they affect most. The bottom part of the diagram shows the stages of the value chain which have an impact, either directly as a consequence of the Group's activities or indirectly by third parties whose activities are linked to PPF Telecom Group.

For example, carbon dioxide emissions and energy consumption are significant direct effects resulting from the Group's main activity and business operations. The Group's activities also indirectly consume energy and emit carbon dioxide through third party activities (e.g. suppliers and partners), transport emissions, customers and end consumers (e.g. electricity consumption from the use of products, emissions produced through product waste).

For more details about how we respond to these types of impact, please see the section [Mission and Strategy](#)

Material topics

- Energy efficiency and climate change
- Waste management and circular economy
- Technology for a sustainable future
- Cyber security, digital and personal data protection
- Network deployment
- Employment and employee development
- Customer relationship management
- Communities and social action
- Business conduct and ethics
- Supply chain management

PPF TELECOM GROUP VALUE CHAIN

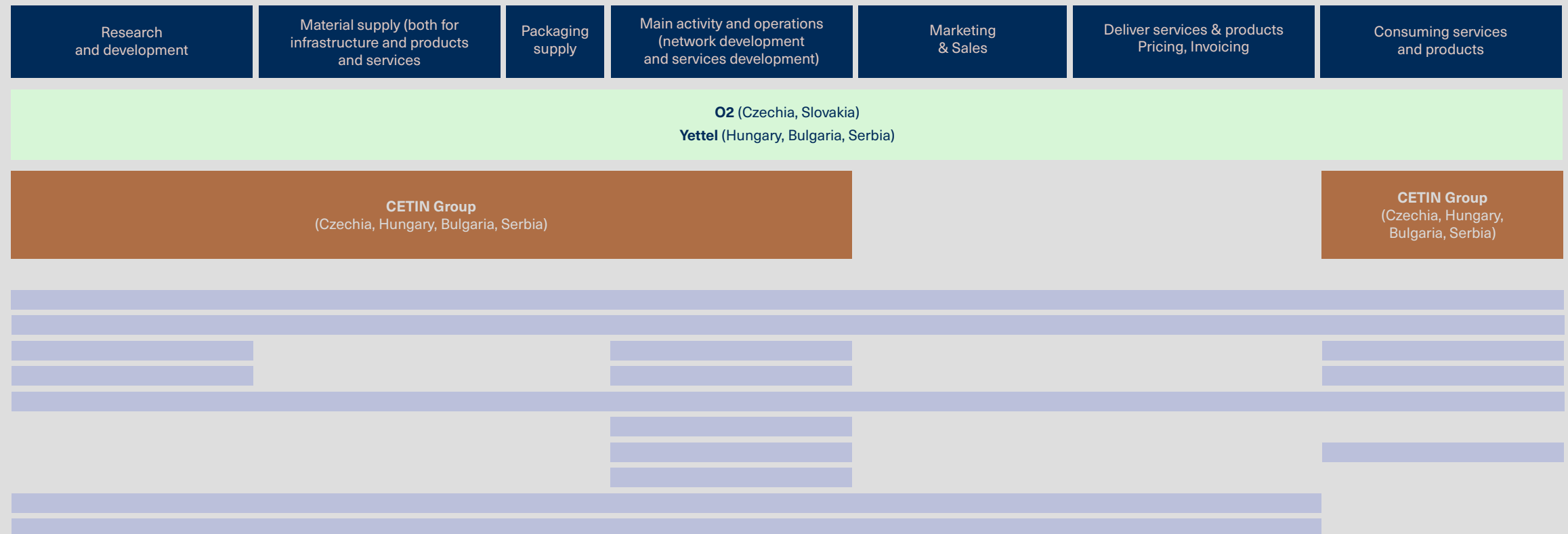
Stakeholder groups

At what stage of the value chain do the stakeholders influence us most?



Value chain

Stages where our most material economic, social and environmental impacts occur.





ABOUT THIS REPORT

As the Group grows and evolves as a business, so does its focus on sustainability. We believe transparency and sharing how we work together as a group is important in building a sustainable future for our company, employees, customers and the communities where we operate.

This year, we are taking another step forward in all these undertakings by formalising our efforts through this report.

This approach will improve our internal processes and initiatives. We have identified areas where increased data collection is necessary and have set up tracking to gather additional metrics to introduce meaningful and achievable targets for producing increasingly comprehensive reports in the future.

In this report, PPF Telecom Group provides more detailed information about its business strategy, operations and commitments. The report has been

prepared with recognised reporting frameworks in mind, including the Global Reporting Initiative (GRI) 2016 standards, to incorporate PPF Telecom Group's alignment with the United Nations Sustainable Development goals (SDGs) and reflect the GHG Protocol for Scope 1, 2, and 3 emissions calculations and reporting. Because this is our first year of reporting, we have not sought external assurance of the report.

This report was drafted in English. Data for 2021 were collected in the first half of 2022 and are reported as of 31 December 2021, unless indicated otherwise.

Because we finalised our sustainability strategy in the first half of 2022, the report contains the Group's sustainability policies and commitments as of 31 July 2022.

This report was issued on 27 September 2022.





GRI CONTENT INDEX

This Report was developed with reference to the GRI Standards. This index lists our standard and specific disclosures regarding GRI categories, information and indicators and refers to the pages where these issues are addressed in this report.



GENERAL STANDARD DISCLOSURES

Organisational profile

Profile disclosure	Description	Reported in chapter	Reference page/Explanation
GRI 102-1	Name of the organization	–	PPF Telecom Group B.V.
GRI 102-2	Activities, brands, products and services	PPF Telecom Group at a Glance Key Moments in PPF Telecom Group's History Highlights of 2021	6 14 15
GRI 102-3	Location of headquarters	–	Strawinskylaan 933 1077 XX Amsterdam The Netherlands
GRI 102-4	Location of operations	PPF Telecom Group at a Glance	6
GRI 102-5	Ownership and legal form	PPF Telecom Group at a Glance Corporate Governance – Acting with Integrity	6 85
GRI 102-6	Markets served	PPF Telecom Group at a Glance	6
GRI 102-7	Scale of the organisation	PPF Telecom Group at a Glance	6
GRI 102-8	Information about employees and other workers	Putting People at the Centre of Our Business	67
GRI 102-9	Supply chain	Stakeholder Engagement – Acting with Transparency	91
GRI 102-10	Significant changes to the organisation and its supply chain	–	Not applicable, our first report.
GRI 102-11	Precautionary principle or approach	–	Not applicable, our first report.
GRI 102-12	External initiatives	Accelerating Technology for a Sustainable Future	35
GRI 102-13	Membership of associations	–	Member of the Global System for Mobile Communications (GSMA)



Strategy

Profile disclosure	Description	Reported in chapter	Reference page/Explanation
GRI 102-14	Statement from senior decision-maker	PPF Telecom Group CEO'S Message PPF Telecom Group CSO'S Message	3 4
GRI 102-15	Key impacts, risks and opportunities	The Group's Mission and Sustainability Strategy	22

Ethics and integrity

Profile disclosure	Description	Reported in chapter	Reference page/Explanation
GRI 102-16	Values, principles, standards and norms of behaviour	The Group's Mission and Sustainability Strategy Contributing to the UN's Sustainable Development Goals Identifying Important Issues through the Value Chain	22 25 23
GRI 102-17	Mechanisms for advice and concerns about ethics	Corporate Governance – Acting with Integrity	85

Governance

Profile disclosure	Description	Reported in chapter	Reference page/Explanation
GRI 102-18	Governance structure	Corporate Governance – Acting with Integrity	85
GRI 102-19	Delegating authority	Corporate Governance – Acting with Integrity	85
GRI 102-20	Executive-level responsibility for economic, environmental and social topics	Corporate Governance – Acting with Integrity	85
GRI 102-21	Consulting stakeholders on economic, environmental and social topics	Stakeholder Engagement – Acting with Transparency	91
GRI 102-22	Composition of the highest governance body and its committees	–	–
GRI 102-23	Chair of the highest governance body	–	–



Governance continued

Profile disclosure	Description	Reported in chapter	Reference page/Explanation
GRI 102-24	Nominating and selecting the highest governance body	–	3
GRI 102-25	Conflicts of interest	Corporate Governance – Acting with Integrity	85
GRI 102-26	Role of highest governance body in setting purpose, values and strategy	Corporate Governance – Acting with Integrity	85
GRI 102-27	Collective knowledge of highest governance body	Corporate Governance – Acting with Integrity	85
GRI 102-28	Evaluating the highest governance body's performance	–	–
GRI 102-29	Identifying and managing economic, environmental and social impacts	Corporate Governance – Acting with Integrity	85
GRI 102-30	Effectiveness of risk management processes	Corporate Governance – Acting with Integrity	85
GRI 102-31	Review of economic, environmental and social topics	Corporate Governance – Acting with Integrity	85
GRI 102-32	Highest governance body's role in sustainability reporting	Corporate Governance – Acting with Integrity	85
GRI 102-33	Communicating critical concerns	Corporate Governance – Acting with Integrity	85
GRI 102-34	Nature and total number of critical concerns	–	–
GRI 102-35	Remuneration policies	–	–
GRI 102-36	Process for determining remuneration	–	–
GRI 102-37	Stakeholders' involvement in remuneration	–	–
GRI 102-38	Annual total compensation ratio	–	–
GRI 102-39	Percentage increase in annual total compensation ratio	–	–



Stakeholder engagement

Profile disclosure	Description	Reported in chapter	Reference page/Explanation
GRI 102-40	List of stakeholder groups	Stakeholder Engagement – Acting with Transparency	91
GRI 102-41	Collective bargaining agreements	Putting People at the Centre of our Business	67
GRI 102-42	Identifying and selecting stakeholders	Stakeholder Engagement – Acting with Transparency	91
GRI 102-43	Approach to stakeholder engagement	Stakeholder Engagement – Acting with Transparency	91
GRI 102-44	Key topics and concerns raised	Stakeholder Engagement – Acting with Transparency	91

Reporting practice

Profile disclosure	Description	Reported in chapter	Reference page/Explanation
GRI 102-45	Entities included in the consolidated financial statements	About this Report	95
GRI 102-46	Defining report content and topic boundaries	About this Report Stakeholder Engagement – Acting with Transparency The Group's Mission and Sustainability Strategy	95 91 22
GRI 102-47	List of material topics	The Group's Mission and Sustainability Strategy Materiality analysis	22 23
	Restatements of information	–	Not applicable, our first report.
GRI 102-48	Changes in reporting	–	Not applicable, our first report.
GRI 102-49	Reporting period	–	2021, effective July 2022
GRI 102-50	Date of most recent report	–	2021
GRI 102-51			



Reporting practice continued

Profile disclosure	Description	Reported in chapter	Reference page/Explanation
GRI 102-52	Reporting cycle	–	Annually
GRI 102-53	Contact point for questions about the report	–	Klára Zavadilová, zavadilova@ppf.cz
GRI 102-54	Claims of reporting in accordance with the GRI Standards	About this Report	95
GRI 102-55	GRI content index	GRI Content index	96
GRI 102-56	External assurance	–	–



ENVIRONMENTAL

Material topics

Profile disclosure	Description	Reported in chapter	Reference page/Explanation
GRI 103 Aspect	Energy efficiency and climate change	Reducing the Group's Impact on the Environment	55
GRI 103 Aspect	Waste management and circular economy	Reducing the Group's Impact on the Environment	55

Energy

Profile disclosure	Description	Reported in chapter	Reference page/Explanation
GRI 302-1	Energy consumption within the organisation	Reducing the Group's Impact on the Environment	55
GRI 302-3	Energy intensity	Reducing the Group's Impact on the Environment Annex – Performance Indicators	55 Link

Water and Effluents

Profile disclosure	Description	Reported in chapter	Reference page/Explanation
GRI 303-5	Water consumption	Reducing the Group's Impact on the Environment Annex – Performance Indicators	55 Link



Emissions

Profile disclosure	Description	Reported in chapter	Reference page/Explanation
GRI 305-1	Direct (Scope 1) GHG emissions	Reducing the Group's Impact on the Environment Annex – Performance Indicators	55 Link
GRI 305-2	Energy indirect (Scope 2) GHG emissions	Reducing the Group's Impact on the Environment Annex – Performance Indicators	55 Link
GRI 305-3	Other indirect (Scope 3) GHG emissions	Reducing the Group's Impact on the Environment Annex – Performance Indicators	55 Link
GRI 305-4	GHG emissions intensity	Reducing the Group's Impact on the Environment Annex – Performance Indicators	55 Link

Effluents and waste

Profile disclosure	Description	Reported in chapter	Reference page/Explanation
GRI 306-2	Direct (Scope 1) GHG emissions	Reducing the Group's Impact on the Environment Annex – Performance Indicators	55 Link
GRI 306-3	Energy indirect (Scope 2) GHG emissions	Reducing the Group's Impact on the Environment Annex – Performance Indicators	55 Link
GRI 306-4	Other indirect (Scope 3) GHG emissions	Reducing the Group's Impact on the Environment Annex – Performance Indicators	55 Link



SOCIAL

Material topics

Profile disclosure	Description	Reported in chapter	Reference page/Explanation
GRI 103 Aspect	Technology for a sustainable future	Accelerating Technology for a Sustainable Future	35
		Sustainable Connectivity – Tackling the Digital Divide with Reliable Connectivity for Everyone	37
		Sustainable Society – Promoting Digital Education and Smart Technologies for Benefits to People and the Environment	46
GRI 103 Aspect	Network deployment	Mobile Telecommunications Technology and Health (Network Deployment)	77
GRI 103 Aspect	Cybersecurity, digital and personal data protection	Cybersecurity, Digital and Personal Data Protection	53
GRI 103 Aspect	Employment and employee development	Putting People at the Centre of our Business	67
GRI 103 Aspect	Customer relationship management	Understanding our Customers	75
GRI 103 Aspect	Communities and social action	Being an Integral Part of Communities	79
GRI 103 Aspect	Supply chain management	Stakeholder Engagement – Acting with Transparency	91



Economic performance

Profile disclosure	Description	Reported in chapter	Reference page/Explanation
GRI 201-1	Direct economic value generated and distributed	Annex – Performance Indicators	Link

Trainings and education

Profile disclosure	Description	Reported in chapter	Reference page/Explanation
GRI 404-1	Average hours of training per year per employee	Annex – Performance Indicators	Link

Customer health and safety

Profile disclosure	Description	Reported in chapter	Reference page/Explanation
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Mobile Telecommunications Technology and Health (Network Deployment) Annex – Performance Indicators	77 Link



GOVERNANCE

Material topics

Profile disclosure	Description	Reported in chapter	Reference page/Explanation
GRI 103 Aspect	Material topic: Business conduct and ethics	Cybersecurity, Digital and Personal Data Protection Corporate Governance – Acting with Integrity	53 85

Anti-corruption

Profile disclosure	Description	Reported in chapter	Reference page/Explanation
GRI 205-3	Confirmed incidents of corruption and actions taken	Annex – Performance Indicators	Link

Diversity and equal opportunity

Profile disclosure	Description	Reported in chapter	Reference page/Explanation
GRI 405-1	Diversity of governance bodies and employees	Annex – Performance Indicators	Link

Diversity and equal opportunity

Profile disclosure	Description	Reported in chapter	Reference page/Explanation
GRI 403-9	Work-related injuries	Annex – Performance Indicators	Link



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