

PPF Telecom Group Sustainable Finance Framework

May 2023



Contents

| | |
|---|----|
| 1. Introduction | 3 |
| 1.1 Background on PPF Telecom Group | 3 |
| 1.2 PPF Telecom Group’s approach to sustainability | 4 |
| 1.3 Identifying Important issues through the Value Chain | 6 |
| 1.4 PPF Telecom Group’s Sustainability Strategy | 7 |
| 1.5 Sustainability Governance | 8 |
| 1.6 Purpose of this framework | 8 |
| 2. PPF Telecom Group Sustainable Finance Framework | 9 |
| 2.1 Use of Proceeds | 10 |
| 2.2 Project Evaluation and Selection Process | 12 |
| 2.3 Management of Proceeds | 13 |
| 2.4 Reporting | 13 |
| 2.4.1 Allocation Reporting | 13 |
| 2.4.2 Impact Reporting | 14 |
| 3. External Review | 15 |
| 3.1 Second-Party Opinion | 15 |
| 3.2 Post issuance external verification | 15 |
| 4. Amendments to this Framework | 15 |

1. Introduction

1.1 Background on PPF Telecom Group

PPF Telecom Group B.V. (the “Company”) and its subsidiaries (collectively, the “Group”) is a leading provider of telecommunications services in Central and South-eastern Europe. The Group’s subsidiaries provide services in Czechia, Slovakia, Hungary, Bulgaria, and Serbia. The services include mobile telecommunication, fixed-line telecommunication, telecommunications infrastructure-related services, data services, and internet television.

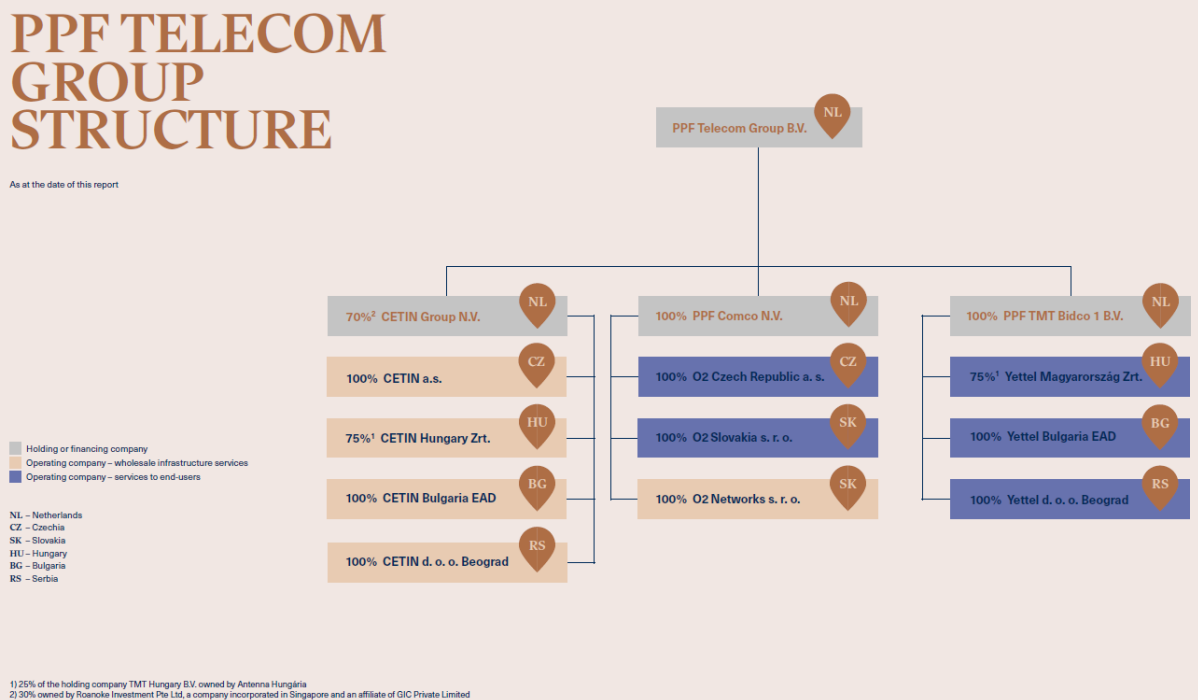
The Group’s mission is to provide as many people as possible with access to high-quality, affordable connectivity and digital solutions so they can live increasingly productive, healthier and safer lives. Through sustainable business practices, the Group is also protecting the environment. In this mission, the Group benefits from the following key strengths:

- Well diversified businesses across several geographies with leading market positions, benefiting from scale.
- Stable markets with positive trends supporting projected business growth.
- High quality of assets and services.
- Strong financial performance.
- Prudent financial policy and solid credit metrics.
- Experienced management team backed by a committed, long-term shareholder with a strong track record.

The Group aims to achieve its mission through the following strategy:

- Continued optimisation, vertical integration and realisation of synergies within the Group.
- Further growing the Group’s revenue base within the current telecommunications market through organic growth.
- Continued investment in infrastructure, innovation and technology.
- Increasing operating performance.
- Maintaining a disciplined approach to the Group’s financial profile and policy.

The Group brings together companies in two key areas: end-customer services and infrastructure services. In building this telco group, PPF Group pioneered the structural unbundling of infrastructure – it separated the services provided by retail operators under the O2 and Telenor brands (rebranded to Yettel as of March 2022) from the telecommunications infrastructure operators, which it consolidated into CETIN Group. This innovative operating model has material benefits for both arms of the Group.



PPF Telecom Group Structure

CETIN Group’s subsidiaries in Czechia, Hungary, Bulgaria, and Serbia are the largest independent telecommunications infrastructure providers in their markets, providing telecommunications infrastructure services on a wholesale basis on equal terms to all operators in the market. CETIN Group’s companies are driving digital transformation in all four countries through investments in advanced technologies and services. CETIN Group’s subsidiaries in Czechia, Hungary, Bulgaria, and Serbia operate radio access networks for mobile services under service agreements, which improve their mobile network coverage and capacity. In Czechia, CETIN Group also owns and operates the largest fixed network in the country, with nationwide coverage.

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. The Group’s O2 and Yettel subsidiaries are No. 1 or No. 2 providers in most of their markets and compete successfully with larger multinational players.

At the end of 2022, 18 million customers relied on the Group’s mobile services, and more than 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.

At the end of 2022, the Group’s subsidiaries 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 among CETIN Group’s subsidiaries.

1.2 PPF Telecom Group’s approach to sustainability¹

PPF Telecom Group is reshaping the world through the power of its innovative and reliable solutions. It is always looking ahead, equipped with strategic goals, to prepare for numerous challenges. Protection of the environment, equitable and safe connectivity, and the wellbeing of the Group’s employees and communities are an important part of the Group’s outlook and prerequisites for the sustainability of its business.

¹ PPF Telecom Group 2021 Sustainability Report <https://www.ppftelecom.eu/sustainability/sustainability-report>

As a telecommunications services provider, the 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.

The Group has identified its priorities and their impact on the different objectives of the United Nation’s Agenda for Sustainable Development. From a long-term perspective, the Group is aware of its potential contribution in achieving the UN’s Sustainable Development Goals (“SDGs”).



OVERVIEW OF PPF TELECOM GROUP

4 QUALITY EDUCATION

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.

7 AFFORDABLE AND CLEAN ENERGY

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.

11 SUSTAINABLE CITIES AND COMMUNITIES

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.

8 DECENT WORK AND ECONOMIC GROWTH

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.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

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.

5 GENDER EQUALITY

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.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

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.

13 CLIMATE ACTION

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.

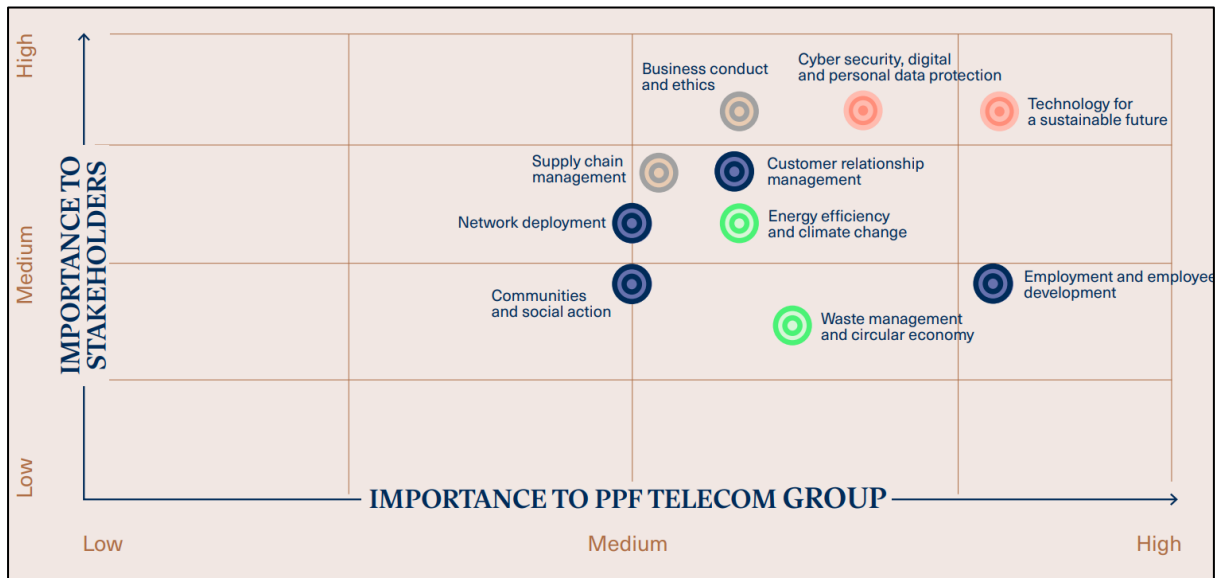
PPF Telecom Group SDG Targets

1.3 Identifying Important issues through the Value Chain²

The Group performed a materiality analysis which 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 them to identify the most material topics in environmental, social and governance areas.

The results of this assessment were evaluated and validated by the Group’s management team. The analysis led to identifying 10 material topics where the Group focuses its sustainability strategy:

1. **Technology for a sustainable future:** Services and products addressing social and environmental challenges.
2. **Energy efficiency and climate change:** Reducing greenhouse gas emissions and the release of other harmful substances into the atmosphere.
3. **Employment and employee development:** Creating an equitable, diverse, and inclusive working environment, safeguarding the health, safety, and wellbeing of our employees.
4. **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.
5. **Supply chain management:** Responsible and sustainable sourcing.
6. **Cyber security, digital and personal data protection:** Safeguarding the privacy of customer data and resilience of our networks against cyberattack and cyber fraud.
7. **Waste management and circular economy:** Managing input materials and reducing waste generated by our operations, supporting the circular economy.
8. **Customer relationship management:** Understanding our customers, their needs and desires to deliver the experiences they expect.
9. **Communities and social action:** Supporting local communities with donations and active participation.
10. **Business conduct and ethics:** Acting with integrity and transparency.



PPF Telecom Group Materiality Analysis

The Group is pro-actively looking at risks and opportunities, and new topics may emerge and gain significance over time. The Group will therefore be reassessing the stakeholder materiality matrix accordingly from time to time.

² PPF Telecom Group 2021 Sustainability Report, pages 23-24 <https://www.ppftelecom.eu/sustainability/sustainability-report>

1.4 PPF Telecom Group's Sustainability Strategy³

The Group's sustainability strategy is paired with integration of the success principles into its business plan. The Group's efforts and resources are focused where it believes they make the biggest difference. The main pillars of the Group's sustainability strategy are:

1. **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. The Group's work focuses on:
 - a. **Tackling the digital divide by providing as many people as possible with reliable connections** - 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.
 - b. **Promoting digital education and awareness** - A consistent methodology will be applied across the Group over the next 12 months to accurately measure and report the impact of our campaigns.
 - c. **Developing smart solutions that benefit people and reduce harm to the environment** - 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.
 - d. **Safeguarding information security and personal data** - 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.

2. **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. The Group's priorities are:
 - a. **Reducing absolute emissions and emissions intensity** - 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.
 - b. **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.

3. **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. The Group's work entails:
 - a. **Creating future leaders and encouraging women in their careers at PPF Telecom Group** - 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 increase female representation in managerial positions.

³ PPF Telecom Group Sustainability Strategy <https://www.ppftelecom.eu/sustainability>

- b. **Understanding the Group's employees** - Our goal is to achieve greater than 60% participation in company surveys and to improve that percentage annually.
 - c. **Understanding the Group's customers** - We will continuously improve customer engagement processes to help us collect and incorporate feedback and continually improve our services and range of products.
 - d. **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.
 - e. **Being an integral part of communities** - The Group's dedicated corporate citizenship programmes will continue to support local communities with donations and active engagement.
4. **Acting with Transparency and Integrity:** To meet our stakeholders' and our own expectations, the Group is introducing additional initiatives to support its sustainability strategy. The Group's work focuses on:
- a. **Promoting sustainability as an integral part of PPF Telecom Group's strategy** - Sustainability training will be introduced throughout PPF Telecom Group and aim for 100% senior management participation and at least 50% employee participation by 2023.
 - b. **Sourcing responsibly and sustainably** - 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.

1.5 Sustainability Governance

The Group's 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.

The Group provides an overview of the governance processes that underpin the Group's approach to a sustainable business strategy:

- Ensuring a commitment to effective operational implementation, the ultimate accountability for our sustainability strategy rests with the CEO and the **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 reviews the progress of the Group's sustainable business strategy on a quarterly basis and is responsible for ensuring the accuracy and timeliness of the Group's sustainability-related disclosures.
 - This committee also includes members from the Group's subsidiaries.
- Defining and leading sustainability-related activities is the role of **PPF Telecom Group Sustainability Steering Committee**. ESG champions of each Business unit are part of this committee which is led by the Group ESG Manager.
 - The committee meets monthly and works 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 receives updates on the progress of the Group's sustainable business strategy once a year.

1.6 Purpose of this framework

The Group intends to align its funding strategy with its mission to provide as many people as possible with access to high-quality, affordable connectivity and environmentally-friendly digital solutions. The

Group believes that sustainable finance instruments are an effective tool to channel financing to projects that demonstrate clear environmental or social benefits. The Group's finance framework will support its investment in performant and sustainable digital infrastructures, that will benefit businesses, people and the environment by providing inclusive and safe connectivity.

This framework will support the Group's commitments to transparent disclosure and ongoing dialogue on ESG topics with the Group's investors, further driving the responsible investment agenda which the Group sees as critical to delivering the transition to a greener economy.

2. PPF Telecom Group Sustainable Finance Framework

In order to meet its mission, and finance projects that will deliver benefits to support the Group's business strategy and vision, the Group has elected to create a Sustainable Finance Framework (the "Framework") and may issue Sustainable Financing Instruments as described below.

This Sustainable Finance Framework will be used to govern all forms of green, social and sustainable finance including, but not limited to, Public Bonds, Private Placements, Revolving Credit Facilities and Bank Loans (together known as "Sustainable Financing Instruments"):

- (i) Green financing instrument – where proceeds are used to finance 'Eligible Green Projects' as defined in section 2.1 'Use of Proceeds'
- (ii) Social financing instrument – where proceeds are used to finance 'Eligible Social Projects' as defined in section 2.1 'Use of Proceeds'
- (iii) Sustainable financing instrument – where proceeds are used to finance 'Eligible Green Projects' and 'Eligible Social Projects' as defined in section 2.1 'Use of Proceeds'

This Framework is in accordance with the ICMA Green Bond Principles⁴ (GBP) 2021, Social Bond Principles (SBP) 2021⁵ and Sustainability Bond Guidelines⁶ (SBG) 2021 and the Loan Market Association (LMA) Green Loan Principles 2023⁷ (GLP), Social Loan Principles 2023⁸ (SLP) and uses the core components and key recommendations of the principles as its basis, being:

Core Components:

- 1) Use of Proceeds
- 2) Process for Project Evaluation and Selection
- 3) Management of Proceeds
- 4) Reporting

Key Recommendations:

- 5) Bond Framework
- 6) External Review

Each of the Group's eligible categories have been aligned with the relevant UN Sustainable Development Goals and EU environmental objectives. The Framework also takes into consideration, where possible, the EU Taxonomy Regulation⁹ (the "EU Taxonomy") and the EU Taxonomy Delegated Acts¹⁰ on Climate Change Mitigation and Adaptation adopted in June 2021. Where feasible, the Group may further update or expand the Framework to align with emerging market standards and best practices.

⁴ Green Bond Principles (GBP) 2021 (with June 2022 Appendix 1) - https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Green-Bond-Principles_June-2022-280622.pdf

⁵ Social Bond Principles (SBP) 2021 (with June 2022 Appendix 1) - https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Social-Bond-Principles_June-2022-280622.pdf

⁶ Sustainability Bond Guidelines 2021 - <https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/Sustainability-Bond-Guidelines-June-2021-140621.pdf>

⁷ Green Loan Principles 2023- <https://www.lsta.org/content/green-loan-principles/#>

⁸ Social Loan Principles 2023- <https://www.lsta.org/content/social-loan-principles-slp/#>



⁹ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088

¹⁰ EU Taxonomy Delegated Act on Climate Change Mitigation and Adaptation published in April 2021 and adopted in June 2021: https://ec.europa.eu/info/publications/210421-sustainable-finance-communication_en


2.1 Use of Proceeds

An amount equivalent to the net proceeds raised from any Group’s Sustainable Financing Instrument issued under this Sustainable Finance Framework will be allocated, in part or in full, to finance or refinance the following eligible green and social projects (the “Eligible Green and Social Projects”):



1) Eligible Green Project Categories:

| Alignment with GBP | Alignment with the UN SDGs ¹¹ | Mapping to the EU Environmental Objective (where activity criteria is available) |
|---|---|--|
| <p>Energy efficiency</p> |   | <p>Climate Change Mitigation</p> <ul style="list-style-type: none"> • 7.3 Installation, maintenance, and repair of energy efficiency equipment • 8.1 Data processing, hosting, and related activities • 8.2 Data-driven solutions for GHG emission reductions |
| <p>Eligibility criteria & Examples of investments comprised and detailed specifications</p> | | |
| <p>Modernisation, replacement and upgrade of network equipment and network technology for the purpose of increasing energy efficiency, as well as investments in the development, construction, installation and operation and upgrade of facilities, equipment or systems and infrastructure that reduce energy consumption, including:</p> | | |
| <p>Development and implementation of digital products and services</p> <ul style="list-style-type: none"> • Products and services based on Internet of Things (IoT), Big data or Artificial Intelligence (AI), which aims at saving energy or natural resources; research and development on smart metering, smart logistics, smart cities, smart mobility and new connectivity services and products | | |
| <p>Mobile network transformation:</p> <ul style="list-style-type: none"> • Modernisation of mobile broadband networks from old network technology to newer one (4G LTE, 5G) including deployment of network infrastructure to expand 5G wireless connectivity | | |
| <p>Fixed network transformation:</p> <ul style="list-style-type: none"> • Modernisation of fixed broadband networks including fibre-based extensions (FTTH, FTTB, FTTC) of the existing fixed network as energy-low intensive infrastructure, enabling the transition away from energy-intensive copper-based networks | | |
| <p>Software and Automation aimed at reducing power consumption, for example:</p> <ul style="list-style-type: none"> • Power saving features, virtualisation of servers, remote and data management applications that will reduce the number of physical servers, enabling server space sharing, leading to reduction of electrical consumption. • Machine learning and artificial intelligence applications based on energy demand and consumption | | |
| <p>Cooling:</p> <ul style="list-style-type: none"> • More efficient cooling for RAN sites and data centres, for example free air cooling and change of site layout from indoor to outdoor | | |
| <p>Data centres:</p> <ul style="list-style-type: none"> • Improving power usage effectiveness of existing data centres and of newly installed data centres • Virtualisation of servers | | |

¹¹ UN Sustainable Development Goals: <https://sustainabledevelopment.un.org/?menu=1300>

| Alignment with GBP | Alignment with the UN SDGs | Mapping to the EU Environmental Objective (where activity criteria is available) |
|--|---|---|
| Renewable energy |  | Climate Change Mitigation <ul style="list-style-type: none"> 4.1, 4.3, 4.5 Production of electricity from solar PV, CSP, wind power and hydropower |
| Eligibility criteria & Examples of investments comprised and detailed specifications | | |
| Investments in renewable energy installation <ul style="list-style-type: none"> Solar panels or wind with life cycle GHG emissions <100 gCO2/kWh | | |
| Procurement of energy¹² from renewable power <ul style="list-style-type: none"> For example, solar panels or wind, including renewable energy certificates. Primarily physical Power Purchase Agreements (PPAs) , with an option of virtual PPAs. | | |
| Battery Energy Storage Systems¹³ <ul style="list-style-type: none"> Battery Energy Storage Systems connected to renewable energy such as solar farms | | |

2) Eligible Social Project Categories:

| Alignment with SBP | Alignment with the UN SDGs |
|---|--|
| Access to essential services (Digital Inclusion) |   |
| Eligibility criteria | Target population & Specification |
| Accelerating deployment of optic fibre network in areas at risk of digital exclusion | <ul style="list-style-type: none"> Unconnected population <ul style="list-style-type: none"> Unconnected to fixed service by any operator, or Unconnected to mobile service by any operator |
| Accelerating deployment of mobile network in areas at risk of digital exclusion | |

Exclusionary Criteria

The group will not knowingly use the proceeds of any Sustainable Financing Instrument for the financing of assets/ projects related to any of the following:

- Activities related to the exploration, production, or transportation of fossil fuels
- Consumption of fossil fuels for power generation purposes;
- Alcohol and Tobacco;
- Weapons and arms trade;
- Gambling; or
- Activities involving exploitation of human rights, modern slavery, or child labour

¹² Excludes the procurement of power generated from nuclear and natural gas facilities

¹³ In certain cases, the battery storage systems might be using grid energy, but consequently supplying more renewable energy to the grid.

2.2 Project Evaluation and Selection Process

The eligible green and social projects will be subject to the following due diligence, which ensures that they meet the criteria set out above in section 2.1 ('Use of Proceeds').

Sustainable Finance Working Group ("SFWG")

To ensure a robust Project Evaluation and Selection and Governance Process, the Group will establish a Working Group to look after their project evaluation and selection process. The composition of this Working Group will be as follows:

- Financial Manager
- Chief Sustainability Officer
- Chief Technology Officer
- Members of Sustainability Executive Committee
- Members of Sustainability Steering Committee
- Representatives from the issuing entity, if applicable¹⁴

The SFWG will be chaired by the Financial Manager and will meet at least on an annual basis.

The missions of the SFWG are the following:

- review the eligible green and social project list and assess project eligibility for green or social financing in accordance with the pre-determined eligibility criteria set out in section '2.1 Use of Proceeds' of this Framework;
- review the eligible green and social project list and assess the project's eligibility against any environmental and/or social risks it poses
- monitor the eligible green and social projects portfolio, specifically, during the life of each sustainable financing instruments issued; the working group can decide to exclude or replace select eligible green and/or social projects if an eligible green and/or social project no longer meets the eligibility criteria, or if it is sold off;
- oversee the arrangements established to ensure the sustainable financing instruments remain in alignment with the ICMA GBP / SBP / SBG/ GLP/ SLP;
- oversee the arrangements established to ensure sustainable financing instrument proceeds are utilised in accordance with the uses specified in the framework;
- oversee the introduction and operation of arrangements to generate the information required to produce periodic sustainable financing instrument reports, in accordance with the framework and the GBP / SBP / SBG/ GLP/ SLP
- managing the allocation of sustainable financing instruments proceeds as per section '2.3 Management of Proceeds' and facilitating reporting as per section '2.4 Reporting' of this framework; and,
- manage any future updates of the framework and corresponding Second Party Opinion;

The Financial Manager of the Group will oversee the overall project selection process and assess the project list of the Group for the avoidance of double-counting of projects.

Risk Management Practice at PPF Telecom Group

All the PPF Telecom Group operating companies have implemented a robust set of risk management procedures following the applicable rules and strict industry standards to ensure business continuity and emergency preparedness. Risks related to business operations, cybersecurity, data privacy or network deployment are regularly evaluated, and corrective actions are taken if needed.

All investments would follow the principles of the PPF Group Code of Ethics which prevent corrupt practices, manage workplace safety, protect personal data and preserve the environment during operations.

¹⁴ In case that the issuing entity of any Sustainable Financing Instruments under this Framework is one of the Group's subsidiaries, rather than PPF Telecom Group B.V.

To ensure the highest level of security, the Group has implemented and obtained certifications for Information Security according to ISO 27001, and also for Privacy and Quality Management Systems.

The Group follows the industry's best practices, including the recommendations of the European Union Agency for Cybersecurity (ENISA), and the requirements of internationally recognised standards.

The Group 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.

The network deployment process 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).

2.3 Management of Proceeds

The Group intends to allocate the full amount equivalent to the net proceeds raised from any Group's Sustainable Financing Instrument issued under this Sustainable Finance Framework (the "Net Proceeds") to the Eligible Green and Social Projects within 36 months of issuance.

A look-back period of up to 24 months prior to the start of the calendar year of debt issuance and a look-forward period of up to 36 months after the start of the calendar year of debt issuance will be applied for the allocation of the net proceeds.

Following the debt issuance, part of the net proceeds will be allocated to those Eligible Green and Social Projects, that have been already financed in the look-back period from the Group's own funds. The funds that cannot be immediately and fully allocated will be held in line with the Group's general liquidity management policy until allocation to Eligible Green or Social Projects within the look-forward period. Unallocated funds may be temporarily used for general corporate purposes. All proceeds will be tracked and managed in line with the terms of this Framework.

PPF Telecom Group's general liquidity management policy

The Group's operating companies generate strong and stable cash flows from operations each month. The cash generated is held in bank accounts of the operating companies and used for planned disbursements for capital investments. Cash that is in excess of the medium- and long-term operational, investment and financing needs is up-streamed to PPF Telecom Group's parent as dividend payments, in line with the published financial policy.

2.4 Reporting

On an annual basis, the Group will publish on its website¹⁵ an allocation report and an impact report one year following the issuance of the applicable Sustainable Financing Instruments issuance, as detailed below. This reporting will be updated at least annually until full allocation¹⁶ of the net proceeds of any Sustainable Financing Instrument, and in the case of any material updates thereafter (for example in case Eligible Projects are replaced).

2.4.1 Allocation Reporting

The Group will provide information on the eligible Green and/or Social projects portfolio on the Group's website. The information will contain at least the following details:

- I. The total amount of proceeds allocated to the eligible Green and/or Social Projects
- II. Breakdown of allocation by eligible project category
- III. Breakdown of allocation by project location
- IV. Refinancing versus new financing
- V. Amount of unallocated proceeds (if any)
- VI. Any material developments related to the eligible Projects

¹⁵ PPF Telecom Group: <https://www.ppftelecom.eu/offerings-documentation>

CETIN Group: <https://www.cetin.eu/investors/>

¹⁶ In the case of Revolving Credit Facilities – until maturity (in accordance with GLP 2023 and SLP 2023)

2.4.2 Impact Reporting

The Group will provide reporting on relevant potential impact metrics for eligible Green and Social projects as per below. Case studies or project summaries may also be provided where considered appropriate. The Group intends to align, on a best effort basis, the reporting with ICMA's Harmonised Framework for Impact Reporting¹⁷.

Examples of the relevant metrics could include:

- Energy Efficiency
 - Energy consumption per data traffic (MWh/PB or equivalent unit)
 - Amount of CO2 emissions avoided / reduced (tCO2e)
 - Amount of energy saved (MWh)
- Renewable Energy:
 - Amount of renewable energy generated or purchased (MWh)
 - % of energy originated in renewable resources
 - Amount of CO2 emissions avoided / reduced (tCO2e)
- Access to essential services (Digital Inclusion)
 - Estimated population with broadband networks in unconnected areas
 - Number of users connected with broadband networks in unconnected areas

Where relevant, information will be provided on the impact assessment and data reporting methodologies applied by the Issuer. The approach to impact reporting may be updated over time to align with emerging reporting standards and methodologies.

¹⁷ ICMA Harmonised Framework for Impact Reporting for Green Bonds June 2022:
https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Harmonised-Framework-for-Impact-Reporting-Green-Bonds_June-2022-280622.pdf

ICMA Harmonised Framework for Impact Reporting for Social Bonds June 2022:
https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Harmonised-Framework-for-Impact-Reporting-Social-Bonds_June-2022-280622.pdf

3. External Review

3.1 Second-Party Opinion

The Group has appointed Sustainalytics to provide an external review on the Group's Sustainable Finance Framework, and confirm its alignment with the ICMA GBP, SBP, SBG, LMA GLP & SLP. This Second Party Opinion document will be made available on the Group's website.

3.2 Post issuance external verification

The Group's annual reporting will also be subject to external verification by an External Independent Reviewer. The External Independent Reviewer will verify:

- The compliance of assets financed by the Sustainable Financing Instrument proceeds with eligibility criteria defined in the use of proceeds section in this Framework.
- Allocated amount related to the eligible Green and/or Social projects financed by the Sustainable Financing Instrument proceeds.
- The management of proceeds and unallocated proceeds amount.

The External Independent Reviewer's report will be published on the Group's website.

4. Amendments to this Framework

The SFWG will review this Framework on a regular basis, including its alignment to updated versions of the GBP/SBP/SBG/GLP/SLP as and when they are released, with the aim of adhering to best practices in the market. Such review may result in this Framework being updated and amended. The updates, if not minor in nature, will be subject to the prior approval of the Group and an External Independent Reviewer. Any future updated version of this Framework that may exist will either keep or improve the current levels of transparency and reporting disclosures, including the corresponding review by an External Independent Reviewer. The updated Framework, if any, will be published on the Group's website and will replace this Framework.

Disclaimer

This document is intended to provide non-exhaustive, general information as of the date hereof. This document may contain or incorporate by reference public information not separately reviewed, approved or endorsed by PPF Telecom Group B.V. and accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by PPF Telecom Group B.V. as to the fairness, accuracy, reasonableness or completeness of such information.

This document may contain statements about future events and expectations that are forward-looking statements. None of the future projections, expectations, estimates or prospects in this document should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of the assumptions, fully stated in the document.

PPF Telecom Group B.V. has and undertakes no obligation to update, modify or amend this document, the statements contained herein to reflect actual changes in assumptions or changes in factors affecting these statements or to otherwise notify any addressee if any information, opinion, projection, forecast or estimate set forth herein changes or subsequently becomes inaccurate.

This document is not intended to be and should not be construed as providing legal or financial advice. It does not constitute an offer or invitation to sell or any solicitation of any offer to subscribe for or purchase or a recommendation regarding any securities. Nothing contained herein shall form the basis of any contract or commitment whatsoever and it has not been approved by any security regulatory authority.

No representation is made as to the suitability of any securities to fulfil environmental and sustainability criteria required by prospective investors. Each potential purchaser of securities should determine for itself the relevance of the information contained or referred to in this framework or the relevant securities documentation for such securities regarding the use of proceeds and its purchase of securities should be based upon such investigation as it deems necessary.

The distribution of this document and of the information it contains may be subject of legal restrictions in some countries. Persons who might come into possession of it must inquire as to the existence of such restrictions and comply with them.

The recipient is solely liable for any use of the information contained herein and PPF Telecom Group B.V. shall not be held responsible for any damages, direct, indirect or otherwise, arising from the use of this document by the recipient.