

# Connecting with a sustainable future

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Chapter

# General information

# Introduction to the sustainability statement

Business strategy link to sustainability: Partnering on a digital journey

SBM-3

In 2024, PPF Telecom Group B.V. underwent a significant transformation, becoming part of Emirates Telecommunications Group Company PJSC ("e& Group")<sup>1</sup>. Following this change, the company was renamed e& PPF Telecom Group B.V.<sup>2</sup>

As part of a global technology group, we now benefit from expanded expertise, innovation, and resources – enabling us to accelerate operational performance and long-term sustainable growth. This transition strengthens our strategic direction and supports continued progress in areas that matter most to our stakeholders, with people remaining at the heart of our mission.

We aim to empower customers on their digital journey by helping them make the most of modern technologies. Our focus is on delivering high-quality connectivity

and seamless customer experiences that enhance productivity and everyday life. At the same time, we remain committed to reducing our environmental impact through sustainable practices and the deployment of state-of-the-art technology.

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

**1 The best network**  
The Group is dedicated to building the best and most secure telecommunications network in Central and Southeastern Europe. We invest substantially in 5G infrastructure, digitalisation, and cybersecurity. To maximise the potential of emerging technologies, we also share best practices across all countries where we operate.

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

**3 The best performance**  
As the industry-leading company in Central and Southeastern Europe, the Group consistently drives innovation and investment in its product portfolio. We recognise our duty of care towards our employees and the environment and are dedicated to protecting both.

Transparency in our operations and undertakings is a cornerstone of our corporate responsibility. We actively pursue our objectives to achieve long-term success, enhance competitiveness, and create value for all our stakeholders.

<sup>1</sup>Czech entities were excluded from the transaction.

<sup>2</sup>"e& PPF Telecom Group" or "the Group" includes e& PPF Telecom Group B.V. ("the Company") and all its subsidiaries.



## Balesh Sharma CEO

We operate in a dynamic environment where connectivity is no longer a luxury, but a lifeline. From remote work and digital education to smart cities and AI-driven services, our networks form the backbone of modern life.

AI and rapid digitalisation are reshaping the global technology landscape. We see this not as a challenge, but as a chance to grow and innovate. Our partnership with e& gives us a strong foundation to harness the new opportunities.

Together, we are investing in next-generation infrastructure – 5G, fibre, and beyond – and embedding automation and AI. These technologies will help us optimise energy use, prevent outages, and strengthen cybersecurity. They will empower our customers with more reliable and affordable services on their digital journey.

Our commitment is not limited to technology. Sustainability is a key pillar of our long-term strategy. We are cutting emissions and supporting a more circular business model. Equally, we are investing in our people, reskilling, upskilling, and developing future-ready talent. These efforts reflect our goal to build a resilient and responsible telecom business that creates lasting value for customers, communities, and the environment.



## Progressing on our sustainability journey

SBM-3

Since 2021, PPF Telecom Group B.V. has been publishing annual sustainability reports, and we remain strongly committed to implementing our sustainability strategy and transparently reporting on our contributions to environmental protection, climate action, human rights, and social development.

We are fully aligned with e& Group in their pursuit of ESG excellence (as outlined in their Integrated annual report [eand-integrated-annual-report-en.pdf](#)), achieved through robust initiatives and strategic collaborations. By integrating ESG principles across all operations, e& Group aims to create long-term value for stakeholders and the communities it serves. Through this partnership, we are combining our ESG expertise to strengthen our efforts and amplify positive impact.

In 2024, we made continued progress toward the goals set out in our sustainability strategy, which is built on four key pillars:

## 1

## Environment:

Reducing the Group's environmental impact

The Group recognises the necessity to preserve a healthy, undamaged environment for both current and future generations. To this end, we have adopted policies focused on reducing the environmental impact of our operations across the entire value chain, while leveraging new technologies to support environmental transformation.

In 2024, our environmental initiatives focused primarily on reducing energy consumption, achieving fuel savings, and replacing refrigerants in air-conditioning units. These efforts not only contributed to lower greenhouse gas emissions and reduced the release of other harmful substances into the atmosphere but also resulted in financial savings.

A key milestone during the year was the setting of decarbonisation targets in alignment with the Science Based Targets initiative (SBTi). Our enhanced approach to climate change management and disclosure was recognised with an improved CDP rating from B to A-.

Managing input materials and minimizing waste remains another priority area. The Group continued to make progress through initiatives aimed at collecting and recycling used electronic devices from its customers.

### Key highlights

- Decarbonisation targets set and validated by SBTi at 42% for Scope 1+2, 25% for Scope 3
- CDP Climate Change rating upgraded to A-, leadership level
- 44% share of renewable energy

## 2

## People:

Putting people at the centre of our business

The Group is committed to safeguarding the health, safety, and well-being of our employees, customers, partners, suppliers, and the communities in which we operate. We have established clear standards for responsible network and product quality practices to protect the health and safety of both customers and local communities. We also promote continuous employee training and development to align best practices across the organisation.

In 2024, the Group continued to promote its Diversity, Equity and Inclusion (DEI) Policy throughout the company and rolled out the Recharge initiative, aimed at supporting employee well-being.

### Key highlights

- Group DEI policy adopted
- Leadership trainings on DEI launched
- Ongoing improvements in health and safety management

## 3

## Technology:

Accelerating technology for a sustainable future

The Group invests substantial resources in the advancement of telecommunications technologies and related IT systems. By its very nature, telecommunications play a vital role in addressing some of today's social and environmental challenges. Our digital technologies provide the foundation for stable and secure communication across our operating countries, connecting individuals, communities, and businesses in ways that were previously unimaginable.

We enable uninterrupted mobile voice and data connectivity almost anywhere, at any time, offering access to information, communication, enhanced security, convenience, education, and entertainment to increasingly larger segments of the population. In parallel, we focus on educating and upskilling our employees, stakeholders, and communities on both the risks and the opportunities of digital technologies, empowering them to use these tools safely and effectively.

In 2024, we achieved a milestone of 68% population coverage with 5G in the countries where we operate, while our 4G coverage reached 99%. Our dedication to providing superior services has been recognised through multiple awards, including the Umlaut Best in Test award for network quality in Bulgaria and Serbia and several mobile experience awards by OpenSignal in Hungary and Slovakia.

With privacy and security high on society's agenda, we are continuously enhancing the protection of our customers' data and strengthening the resilience of our networks against cyberattacks and online fraud. In 2024, 29% of Group customers adopted our solution to protect their data and devices, underscoring our commitment to improving security across the network. We also successfully engaged more than 80,000 individuals through our digital education initiatives, raising awareness about online safety and security via various media platforms.

### Key highlights

- **68% population coverage with 5G in countries where 5G is available**
- **29% adoption of mobile security solution**
- **Umlaut Best in Test in Bulgaria and Serbia**
- **Mobile experience awards by OpenSignal in Hungary and Slovakia**

## 4

## Transparency:

Operating with transparency and integrity

The Group continues to uphold the principles of transparent governance, integrity, and strong ethical foundations. Responsible corporate governance is a core component of its sustainability efforts, ensuring long-term value for stakeholders by maintaining trust, sourcing responsibly, enforcing anti-corruption and anti-bribery policies, and maintaining a zero-tolerance approach to legal violations.

Operating within national and international supply chains for telecommunications equipment, software, and network construction materials, the Group places great emphasis on the careful selection of our suppliers, partnering only with the world's most reputable providers.

In 2024, we have further reinforced our commitment to high standards of social and environmental responsibility and business ethics across the value chain by adopting a formal Supplier Code of Conduct. This code outlines the minimum behaviours, standards, and practices expected of all suppliers.

### Key highlights

- **63% of employees trained on sustainability**
- **Supplier Code of Conduct adopted**
- **Improved risk management (Audit, Risk and Compliance committee put in place)**
- **Supplier ESG risk management programme launched**



Previous targets at PPF Telecom Group and new targets for e& PPF Telecom Group

In October 2024, the assets in Czechia, the operator O2 Czech Republic a.s. and telecommunications infrastructure provider CETIN a.s., were carved out from PPF Telecom Group, and a majority stake in the company was sold to e&. On 24 October 2024, PPF Telecom Group B.V. was renamed e& PPF Telecom Group. Accordingly, we present our performance against the previous targets and disclose newly set targets for the perimeter of the reshaped e& PPF Telecom Group.

PPF Telecom Group target	Target year	Status	e& PPF Telecom Group target	Target year
<b>1 Environment (E1: Climate change)</b>				
Set emissions reduction targets in line with the Science Based Targets Initiative	2024	✔ Achieved and closed	Reduce absolute Scope 1 and 2 GHG emissions by 42% from a 2022 base year	2030
In the interim, reduce emissions by 40% in Scopes 1 and 2	2030	This goal was replaced with more ambitious targets validated by SBTi	Reduce absolute Scope 3 GHG emissions from purchased goods and services, capital goods and fuel- and energy-related activities by 25% from a 2022 base year	
<b>1 Environment (E5: Resource use and circular economy)</b>				
Reuse, resell or recycle 100% of decommissioned equipment (CETIN)	2025	✔ Achieved	Remains in place	Ongoing
Repair, reuse or recycle e-waste to prevent at least 250 tonnes from going to landfill (Yettel, O2)	2025	✔ Achieved	Reach 20% return rate at purchase of new mobile devices sold by 2030 (Yettel, O2)	2030
			Prevent 22,000 kg of e-waste from going to landfill each year through customer-focused initiatives	Ongoing
<b>2 People (S1: Own workforce)</b>				
Achieve greater than 60% participation in company surveys and improve that figure annually	2025	✔ Achieved	N/A <sup>1</sup>	N/A
Maintain zero fatal or life-changing injuries in our workplace	Annual	Not achieved <sup>2</sup>	Maintain zero fatal or life-changing injuries in our workplace	Ongoing

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PPF Telecom Group target	Target year	Status	e& PPF Telecom Group target	Target year
<b>2 People (S1: Own workforce)</b>				
Establish a group-wide talent development programme to oversee initiatives that enhance diversity in the Group's talent pool and eliminate unconscious bias cultures	2024	✓ Achieved	Formalise inclusive hiring principles at Group level	2025
Support local communities through donations and active engagement	Ongoing	✓ Achieved	Remains in place	Ongoing
<b>3 Technology (S4: Consumers and end-users)</b>				
Provide 5G connectivity to at least 80% of the population in the countries where we operate	2027	On track to achieve	Remains in place	2027
Train 500,000 people, including teachers, children and adults, in digital skills	2025	On track to achieve	Train 300,000 people, including teachers, children and adults, in digital skills (cumulative target for 2022–2025)	2025
Deliver data protection security solutions to at least 40% of the Group's applicable postpaid consumer segment customers	2025	On track to achieve	Deliver data protection security solutions to at least 30% of the Group's applicable postpaid consumer segment customers	2025
<b>4 Transparency (G1: Business conduct)</b>				
Establish a sustainable supply chain programme addressing legal and environmental responsibilities and human rights, and implement the programme with key suppliers	2024	✓ Achieved	Develop and launch a supplier online training on sustainability	2025
Introduce sustainability-related training across the entire Group, aiming for 100% participation by senior management and at least 50% employee participation	2024	✓ Achieved <sup>3</sup>	Mandatory sustainability training for all new employees  Provide ESG refresher training to all employees, including targeted sessions for management, at least once every two years	Ongoing

<sup>1</sup> Having successfully achieved its employee engagement targets, the Group is now shifting focus to improving other key metrics that support overall organisational health and employee satisfaction.

<sup>2</sup> One fatality involving supplier's employee was reported in 2024. Further details are provided in the relevant section of the S1 chapter of this Report.

<sup>3</sup> The topic is covered in the Governance section on page 20.



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## Marek Sláčík Chief Sustainability Officer

Sustainability is a continuous process building trust, creating long-term value, and ensuring that technology serves both people and the planet. In today's complex and volatile environment, it is essential to focus on what truly matters. We welcome the ongoing dialogue on how to advance sustainability with impact and efficiency, so we can accelerate the pace and scale of change needed to address the environmental and financial challenges posed by climate change.

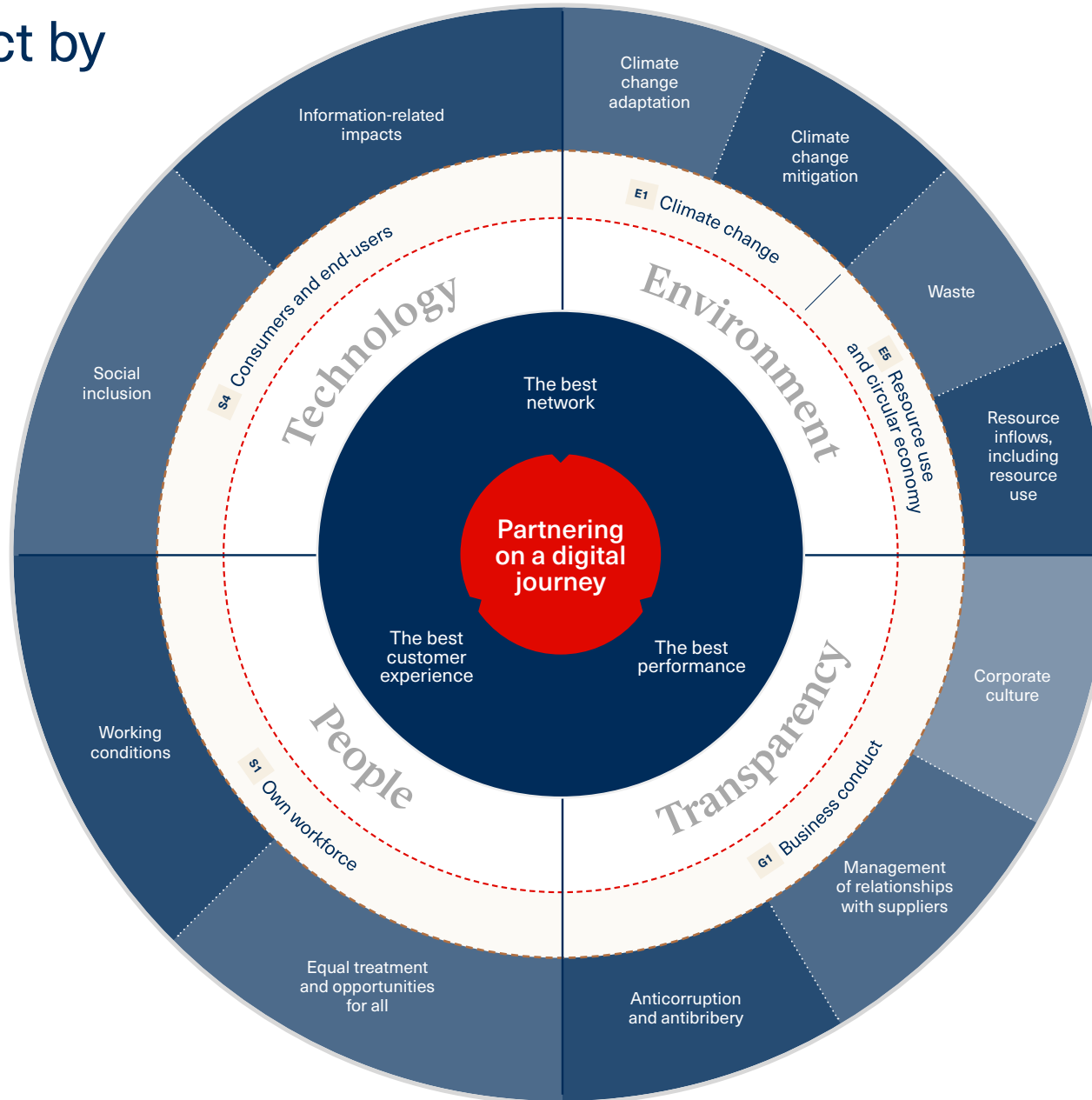
Over the past year, we've embedded sustainability more deeply into our operations. We have set science-based targets to reduce Scope 1 and 2 emissions by 42% and Scope 3 by 25% by 2030. Already, 50% of the energy powering our networks comes from renewable sources, and we aim to grow this share even further.

We've also made progress in circularity, diverting decommissioned network equipment from landfill and promoting responsible device disposal among customers. At the same time, we strengthened our focus on people by launching a Group-wide talent programme and rolling out unconscious bias training across all entities to support diversity and inclusive growth.

Looking ahead, our alignment with e& Group's sustainability ambition gives us the scale and momentum to keep advancing, as we set new, ambitious goals that reflect our shared commitment and partnership.

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# Driving impact by embedding sustainability into our business operations





# Basis for preparation

## General basis for preparation of sustainability statement

### BP-1

Although the Corporate Sustainability Reporting Directive (CSRD) is not yet mandatory for e& PPF Telecom Group B.V., we have prepared this 2024 Sustainability Report ("Report") to support our transition toward future reporting under the CSRD.

This Report covers the period from 1 January 2024 to 31 December 2024, and its consolidation scope is aligned with that of our financial statements. It encompasses the parent company, e& PPF Telecom Group B.V., its subsidiaries (collectively referred to as the "Group," "we," "our," or "us"), and the Group's interests in associates, joint ventures, and affiliates. Operations that were sold or demerged during the reporting year are excluded, unless otherwise stated. In addition to statements of fact, this Report contains certain forward-looking statements, including, but not limited to those related to the Group's financial position, business strategy, management plans, and future operational objectives. These forward-looking statements involve

known and unknown risks, uncertainties, and other factors that may cause actual results or performance to differ significantly from those expressed or implied.

Such influencing factors may include global socio-demographic and economic trends, climate-related developments, regulatory and legislative changes, and unforeseen events. These statements are based on various assumptions about the Group's current and future business strategies and the anticipated operating environment. As a result, any goals, targets, intentions, or expectations expressed in this Report are subject to change, and no assurance can be given that they will be achieved.

The Report covers the Group's own operations, as well as upstream (suppliers) and downstream (customers) segments of the value chain.

Disclosures on specific impacts, risks, and opportunities (IROs) may be limited to particular Group entities, employee groups, activities, or products, depending on the outcomes of the double materiality assessment (DMA). Where applicable, such limitations are specified in the relevant sections of each material topic.

Selected financial information in this Report has been sourced from the Group's financial statements, which are prepared in accordance with International Financial Reporting Standards (e& PPF Telecom Group FY2024 audited consolidated financial statements [https://www.datocms-assets.com/56100/1742822976-fr35\\_20250324\\_e-ppf-telecom-group-annual\\_accounts\\_2024\\_public.pdf](https://www.datocms-assets.com/56100/1742822976-fr35_20250324_e-ppf-telecom-group-annual_accounts_2024_public.pdf)).

**"e& PPF Telecom Group" or "the Group" includes e& PPF Telecom Group B.V. ("the Company") and all its subsidiaries:**

- CETIN Networks s.r.o. ("CETIN Slovakia")
- CETIN Hungary Zrt. ("CETIN Hungary")
- CETIN Bulgaria EAD ("CETIN Bulgaria")
- CETIN d.o.o. Beograd ("CETIN Serbia")
- O2 Slovakia s.r.o. ("O2 Slovakia")
- Yettel Magyarország Zrt. ("Yettel Hungary")
- Yettel Bulgaria EAD ("Yettel Bulgaria")
- Yettel d.o.o. Beograd ("Yettel Serbia")

Sources of estimation and outcome uncertainty

BP-2

The Group's DMA was conducted using the data available at the time of the assessment. Similarly, performance metrics related to the Group's IROs were prepared based on the best available data at the time of reporting. Certain value chain information has been omitted where satisfactory data integrity was not available at the time of reporting.

The Group's DMA was conducted using the data available at the time of the assessment. Similarly, performance metrics related to the Group's IROs were prepared based on the best available data at the time of reporting. The Group remains committed to continuously refining these metrics to ensure they accurately reflect material IROs and to improve alignment with ESRS requirements. Data quality, coverage, and availability are expected to improve over time partly as a result of the planned implementation of automated data collection solutions.

The methodology for calculating and presenting sustainability metrics is described in the relevant notes. These metrics are collected from the Group's operational units through local management systems and typically originate from process data systems, direct measurements, calculations, and procurement records. Controls are in place to ensure the completeness and accuracy of the information reported. Our greenhouse gas emissions inventory has been verified by TÜV NORD Czech, s.r.o. in accordance with the requirements of ISO 14064-3:2019.

When presenting quantitative indicators, estimates and assumptions were used in cases where directly measurable data was not available. As a result, these indicators may be subject to a higher degree of measurement uncertainty. The table below provides an overview of the indicators affected by such uncertainty. The Group will continue to make every effort in the coming periods to establish reliable methods for obtaining this information.

We regularly review and update our estimates and underlying assumptions in response to operational experience, evolving ESG reporting standards, and improved supplier data. Any changes are applied in the reporting period in which they occur and are explained in the notes to the relevant metrics. Methodologies used for estimates are described in the respective chapters of this Report.

Reported metrics partially based on assumptions or estimates

Category	Examples of metrics	Source of uncertainty	Estimation approach
GHG inventory (Scope 1, 2, 3)	Electricity consumption, fuel combustion, heating, refrigerant leakage, purchased goods and services, capital goods, electricity use per product	Some data not directly measured; reliance on third-party or spend-based data; year-end data gaps	Internal estimation guidelines; use of recognised emission factors; spend-based modelling
Water consumption	Total water consumption	Partial data coverage; lack of metering at all sites	Site-level estimates using proxy data
Waste	Waste generated in operations, treatment of general waste	Incomplete third-party reporting; lack of metering at all sites	Site-level estimates using proxy data; use of EU statistics to estimate waste treatment methods; weight estimation using average values by device type



## Time horizons

## BP-2

The Group assesses its material IROs across short-, medium-, and long-term time horizons, defined as up to 1 year, 1 to 5 years, and more than 5 years, respectively, in line with the guidelines set out in ESRS 1. For the assessment of climate-related risks and opportunities, that require a forward-looking perspective, time horizon differ from those mentioned above and are detailed in [Description of process to identify and assess material impacts, risks and opportunities \[IRO-1\]](#).



# Governance

Roles and responsibilities in sustainability governance	GOV-1	GOV-2	GOV-3
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The management structure of the Group consists of a Board of Directors (hereinafter referred to as the “Board”). Although the Company is incorporated under Dutch law as a two-tier structure, it does not have a separate management or supervisory body beyond the Board. Governance is streamlined by having all members of the Board of Directors serve as executives, with no members considered independent.

The Board holds ultimate responsibility for the Group’s business and affairs, including oversight of the day-to-day management of its operations. It is also responsible for approving the Group’s strategies and policies, including those related to sustainability.

The composition of the Board of Directors, along with the combined experience and expertise of its members, reflects the best alignment with the Company’s profile and strategic objectives. There is no employee representation on the Board.

In the day-to-day operational management, the Board of Directors is supported by the Senior management comprising the Chief Executive Officer, the Chief Financial Officer, the Chief Technology and Information Officer, the Chief Commercial Officer, the Chief Sustainability Officer, and the chief executive officers of the main operating subsidiaries. These leaders have extensive experience in the telecommunications sector, particularly in Central and Southeastern Europe. Top management at the Group’s subsidiaries also have extensive knowledge of their respective local markets.

The Group’s Board and Senior management team are currently composed entirely of men.

Senior management is responsible for formulating the Group’s strategy, including sustainability initiatives, based on the objectives set by the Board of Directors for the Group’s subsidiaries and international operations. It also oversees the transfer of knowledge and best practices across business segments. Subsidiary management teams are responsible for achieving the operational, financial, and sustainability targets established by the Group, while managing the commercial, financial, regulatory, and sustainability aspects of their respective operations.

Ultimate accountability for the Group’s sustainability strategy and commitment to effective operations lies with the CEO and the Group’s Sustainability Executive Committee. Led by the Chief Sustainability Officer and supported by senior management, the committee reviews progress on the Group’s sustainable business strategy quarterly and ensures the

accuracy and timeliness of sustainability-related disclosures.

The Group’s Sustainability Steering Committee, which defines and leads the Group’s sustainability initiatives, meets monthly. It collaborates with local market teams and professional functions to advance the various programs, projects, and initiatives outlined in this Report. The successful implementation of our sustainable business strategy relies on effective leadership within the relevant business areas. The committee provides advice and guidance to support the operational delivery of the Group’s sustainability agenda, working closely with sustainability experts in each of the Group’s local markets.



Members of the Board of Directors appointed as of 31 December 2024

Name	Position	Commencement of Current Term of Office
Ilya Kiykov	Director A, Chairman of the Board of Directors	24. 10. 2024
Jaap Johan van der Vlies	Director A	24. 10. 2024
Murat Kirkgöz	Director A	24. 10. 2024
Jan Cornelis Jansen	Director B	16. 10. 2013
Lubomír Král	Director B	16. 10. 2013

e& PPF Telecom Group Senior management appointed as of 31 December 2024

Name	Position	Commencement of Current Term of Office
Balesh Sharma	Chief Executive Officer	18. 07. 2022
Murat Kirkgöz	Chief Financial Officer	24. 10. 2024
Branimir Marić	Chief Technology and Information Officer	01. 06. 2024
Marek Sláčík	Chief Commercial Officer, Chief Sustainability Officer	01. 04. 2021
Jan Kadaník	Chairman of the Board of CETIN International N.V.	30. 09. 2024
Juraj Šedivý	Chief Executive Officer of CETIN International N.V.	30. 09. 2024
Igor Tóth	Chief Executive Officer of O2 Slovakia	01. 01. 2021
Igor Přerovský	Chief Executive Officer of Yettel Hungary	01. 09. 2023
Jason King	Chief Executive Officer of Yettel Bulgaria	01. 09. 2018
Mike Michel	Chief Executive Officer of Yettel Serbia	08. 10. 2018

If managing IROs does not require separate project or program oversight, decisions are made within existing governance and decision-making bodies. This approach integrates the management of IROs into regular business processes wherever possible.

The Board of Directors receives annual updates on the progress of the Group’s sustainable business strategy, ensuring alignment and oversight at the highest level. It also supervises the management of significant IROs, including business conduct and compliance, particularly when these affect the company’s strategy or involve risk and compliance issues. This includes oversight of processes related to decision-making on significant transactions.

As part of the approval process for the Group’s DMA in accordance with ESRS, conducted in 2024, the Board was informed of all identified material IROs for this reporting period (further details are provided in the section Material impacts, risks and opportunities). The Board was also briefed on the planned next steps for implementing the sustainability strategy. This includes evaluating the progress made toward current objectives and setting new targets based on the updated parameters of the Group. Specifically, it includes the confirmation of emission reductions under the SBTi-approved targets.



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## e& PPF Telecom Group Sustainability Steering Committee



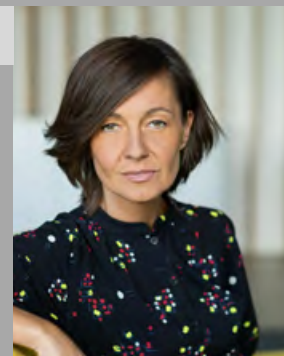
**Klára  
Zavadilová**

e& PPF Telecom Group



**Michal  
Gajdzica**

CETIN International



**Natália  
Tomeková**

O2 Slovakia



**Judita  
Jókaiová**

O2 Slovakia



**Lukáš  
Šupín**

CETIN Slovakia



**Juraj  
Rybárik**

CETIN Slovakia



**Daniella  
Zsombok**

Yettel Hungary



**Dalma  
Sándor**

Yettel Hungary



**Zsolt  
Kozma**

CETIN Hungary

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**Anna  
Wachsler**

CETIN Hungary



**Margita  
Kolcheva**

Yettel Bulgaria



**Ivana  
Popova**

Yettel Bulgaria



**Plamen  
Vichev**

CETIN Bulgaria



**Veronika  
Gerginova**

CETIN Bulgaria



**Milica  
Begenisić**

Yettel Serbia



**Marijan  
Djukić**

Yettel Serbia



**Nada  
Rajčić**

CETIN Serbia



**Lidija  
Radulović**

CETIN Serbia

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Sustainability skills and expertise

The Board of Directors ensures it possesses the necessary knowledge, skills, and experience to effectively manage and oversee the Group, acquired through academic or administrative roles or by managing other companies. This includes a deep understanding of the business and its key risks, including sustainability, business conduct, and compliance.

To meet various sustainability-related obligations and ensure access to the required expertise and skills, the Board approved the engagement of external advisors and the provision of training for employees involved in the sustainability

agenda. Individuals responsible for managing sustainability-related IROs at the senior management level were selected based on their expertise and understanding of the relevant issues.

To integrate the sustainability strategy into the organization’s core, we introduced sustainability training across the entire Group. The goal was to achieve 100% participation at the senior management level and at least 50% employee participation by 2024. As of the date of this Report, we have achieved 100% participation at the senior management level and 63% participation at the employee level.

The Board’s experience and expertise

<b>Ilya Kiykov</b> Managing Director, Chairman of the Board of Directors	Finance M&A Investment banking
<b>Jaap Johan van der Vlies</b> Managing Director	Telecommunications Finance Legal, tax, financial compliance Corporate law
<b>Murat Kirkgöz</b> Managing Director	Telecommunications Finance Engineering management
<b>Jan Cornelis Jansen</b> Managing Director	Economic, public and business law
<b>Lubomír Král</b> Managing Director	Corporate law

Risk management and internal controls over sustainability reporting

GOV-5

Although the Group is not required to establish an audit committee, following the completion of the transaction between e& Group and PPF Group, the shareholders have agreed to incorporate an Audit, Risk, and Compliance Committee (“ARC Committee”) into the corporate governance structure.

The Group’s compliance and risk management functions will report to the ARC Committee on governance, compliance, and risk management matters, including those related to sustainability. This will enhance transparency and enable the identification and mitigation of potential issues. The ARC Committee will support the Board of Directors in fulfilling its oversight responsibilities, including financial reporting, and, when necessary, will also oversee the sustainability reporting process.

The Group is strengthening internal controls and auditing of the sustainability reporting process, integrating it into the well-established annual report process, which includes internal approvals, controls, and external verification.

The primary risks identified in sustainability reporting for 2024 relate to the quality of data used to assess and report on IROs across our value chain. This challenge arises because the Group does not have operational control over many of these areas and, in most cases, relies on third-party data or estimates.

Another identified risk is associated with the manual collection and consolidation of data, which could result in misstatements or miscalculations. However, since the Group does not have financial performance incentives or financial instruments linked to sustainability indicators, the potential exposure to fraud risk is significantly reduced.

The Group’s Sustainability Steering Committee is responsible for monitoring and assessing risks related to the 2024 sustainability reporting process. The committee identified key risks, particularly concerning the accuracy and completeness of data, with a focus on the data collection process. In 2025, the Group plans to strengthen the integration of sustainability across various processes to ensure effective risk management, monitoring, and progress tracking.



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Telecom

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## Murat Kirkgöz Chief Financial Officer

Good governance is the cornerstone of our long-term success. Over the past year, we have enhanced transparency, reinforced internal controls, and strengthened risk management – actions that protect shareholder value while fostering trust among customers, employees, and communities.

Investors and stakeholders increasingly expect companies to demonstrate accountability for environmental impact, social contribution, and governance. By embedding ESG principles into our daily operations, we strengthen financial resilience and prepare for future challenges such as climate change. This approach safeguards business continuity, protects assets, and supports access to long-term investment and favourable financing.

Our commitment is clear: to align profitability with responsibility and create sustainable value for both investors and society.

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## Statement on due diligence

GOV-4

At this point, certain elements of due diligence are already embedded in the Group's principles and activities. The Group upholds its commitment to human rights, sustainable business practices, and socially responsible behaviour within its operations

and is working to ensure that these commitments are reflected throughout its value chain. The individual elements of the due diligence process are described in the respective sections of this Report, with their locations indicated in the table below.

Core elements of due diligence	Paragraphs in the sustainability statement
Embedding due diligence in governance, strategy and business model	GOV-1, GOV-2, GOV-3 (p. 16); GOV-4 (p. 22); SBM-1 (p. 23); G1-GOV1 (p. 118)
Engaging with affected stakeholders in all key steps of the due diligence	SBM-2 (p. 27); G1-2 (p. 118); S4-2 (p. 102); S1-2 (p. 81)
Identifying and assessing adverse impacts	IRO-1 (p. 31); SBM-3 (p. 35)
Taking actions to address those adverse impacts	E1-3 (p. 48); E5-2 (p. 71); S1-4 (p. 82); G1-4 (p. 116); S4-4 (p. 103)
Tracking the effectiveness of these efforts and communicating	BP-2 (p. 14); GOV-5 (p. 20); E1-5 (p. 48); E1-6 (p. 53); E5-4, E5-5 (p. 71); S1-6, S1-10, S1-11 (p. 77); S1-8 (p. 83); S1-15 (p. 85); S1-14 (p. 88); S1-16 (p. 91); S1-13 (p. 95); S1-17 (p. 97); S4-4 (p. 104, 108, 109); G1-3 (p. 116); G1-4 (p. 118)



# Strategy

► CETIN

O<sub>2</sub>

Yettel.

Business model

SBM-1

The Group provides services in the telecommunications sector through two different operating models:

1

## **CETIN Slovakia, CETIN Hungary, CETIN Bulgaria, and CETIN Serbia**

are owners of mobile telecommunications infrastructure and provide wholesale infrastructure services to all telecommunications operators in their respective countries. Wholesale providers do not provide services directly to end users.

2

## **O2 Slovakia, Yettel Hungary, Yettel Bulgaria, and Yettel Serbia**

are mobile telecommunications service providers in their national markets. They provide services to end users in retail, corporate and government institutions market segments. They market their services to retail users through a network of their own shops and to corporate and government institutions customers through their own sales representatives. These companies own mobile spectrum licences for their services. They do not own most of the physical infrastructure required for the provision of their services; the infrastructure services are subcontracted to CETIN Slovakia, CETIN Hungary, CETIN Bulgaria, and CETIN Serbia, respectively. Main products and services include:

### **Mobile services**

Internet and data, voice services, multimedia message services and short message services on a contract or prepaid basis through a spectrum of tariffs targeting different market segments.

### **Fixed services**

Internet connectivity, data and TV and fixed voice services, offered through a combination of FWA (Fixed Wireless Access) service through own mobile networks or through wholesale access to other operators' networks.

### **Sales of devices**

Handsets, accessories, and other devices complementary to the telecommunications services and products provided by the company.

### **Other mobile services**

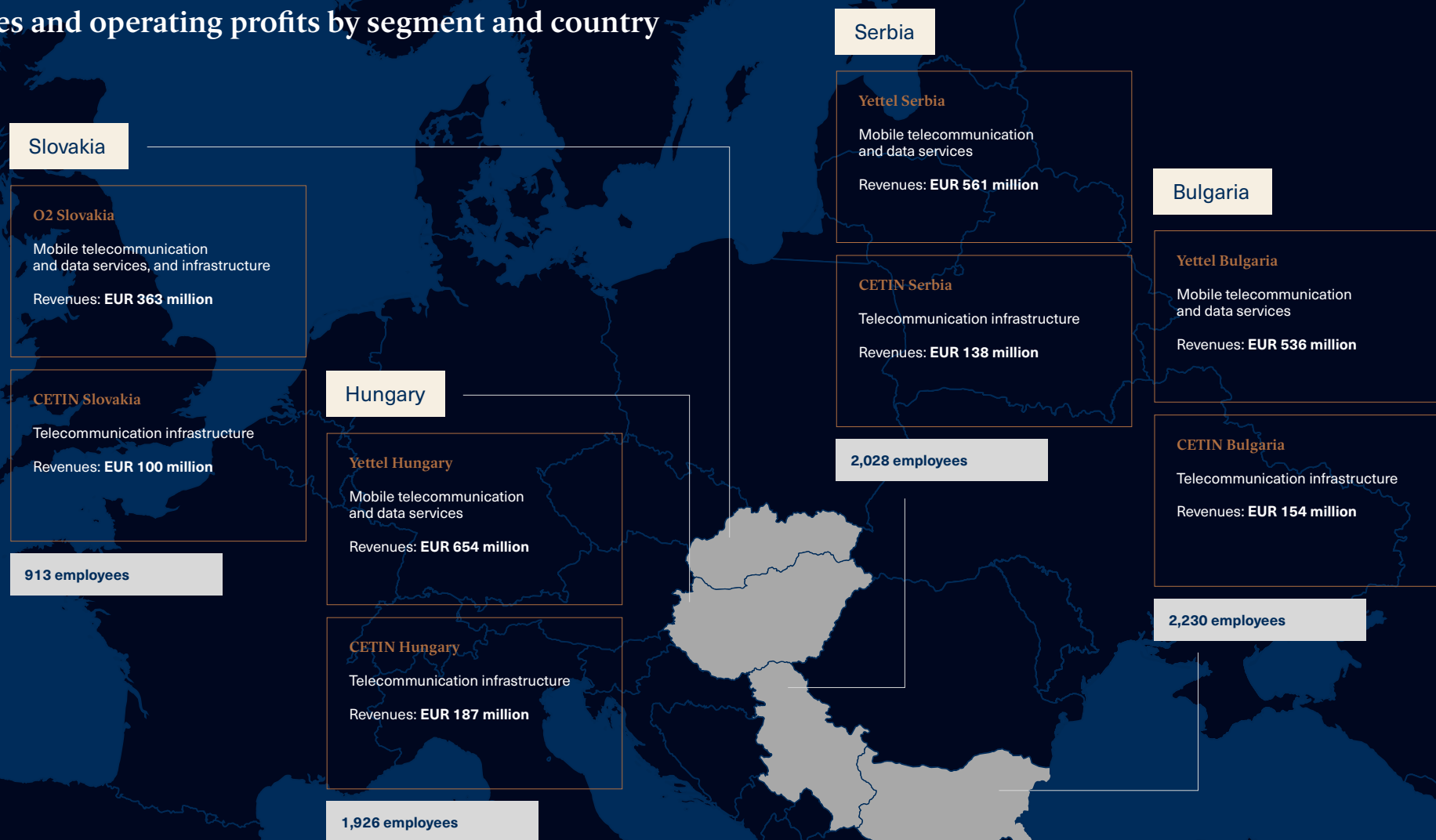
Mainly provision of mobile network services on a wholesale basis.

### **Information and communication technology services**

Complex customer solutions and managed services, mainly system integration, outsourcing services, project solutions and software development.



## Revenues and operating profits by segment and country



The Group divested its Czech assets CETIN a.s. and O2 Czech Republic a.s. in 2024.



[↶ Content](#)

## Our value chain

## SBM-1

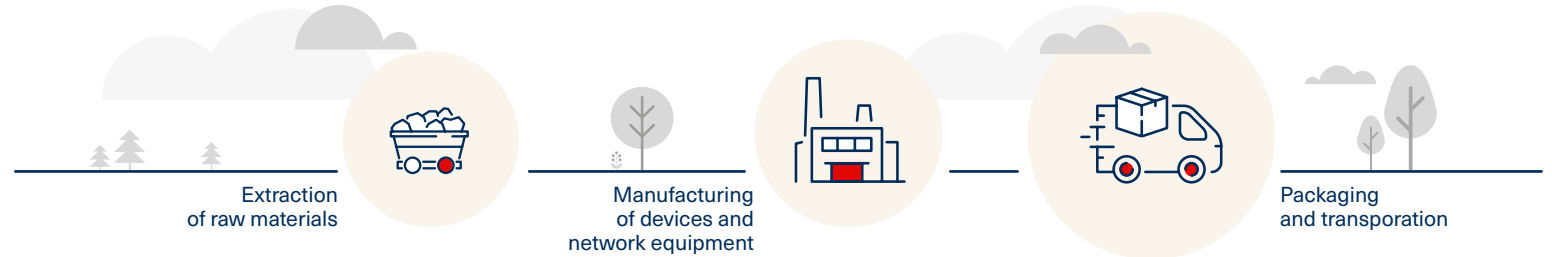
Value chain mapping is a process through which the Group identifies key activities associated with its services and product lines. This mapping helps uncover performance opportunities and assess the company's impact across areas such as sourcing, transportation, development, consumption, and disposal. Given the extensive and complex nature of the telecommunications value chain, which involves hundreds of businesses, it is crucial to thoroughly understand these dynamics.

The environmental impact of the telecommunications sector arises from various stages of the value chain, including raw material extraction, processing, production, and assembly of electronic devices and equipment, as well as packaging and transportation. The energy consumed by operating networks and using devices also contributes to the impact.

Beyond environmental considerations, the value chain also addresses social issues, such as human rights protection and access to connectivity and digital services. Responsible, transparent operations that comply with applicable laws and regulations are essential, primarily falling under governance but influencing both environmental and social outcomes.

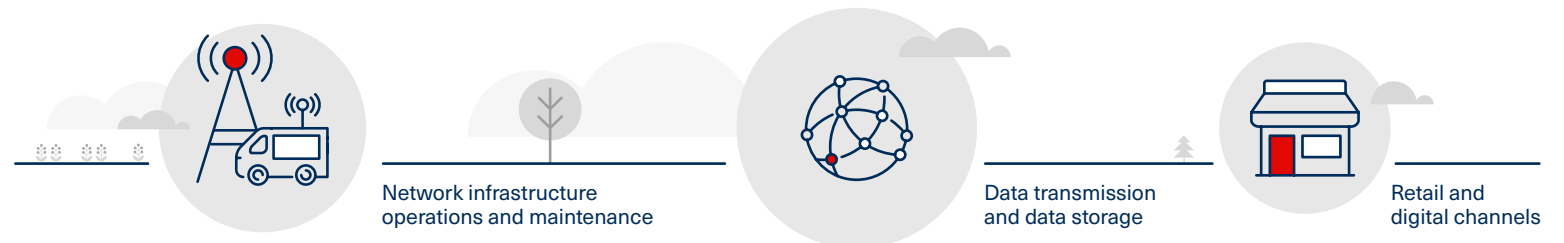
## Sourcing

Material topics: Climate change, Circular economy, Business conduct



## Own operations

Material topics: Climate change, Circular economy, Own workforce, Consumers and end-users, Business conduct



## Use and disposal

Material topics: Climate change, Circular economy, Consumers and end-users, Business conduct



[↶ Content](#)

The Group's activities, along with its relationships with other companies and individuals, contribute to its overall footprint.

#### Our simplified value chain consists of three key stages:

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

At every stage of its value chain, the Group adheres to applicable laws and regulations and operates in accordance with its Code of Conduct. The summary below outlines areas where material topics may have an impact and illustrates the organization's involvement in these processes. It highlights the Group's direct impact through its activities, products, and services, as well as its indirect contributions through business relationships.

#### e& PPF Telecom Group value chain

Material topics	Sourcing	Operations	Use and disposal
Climate change	✓	✓	✓
Resource use and circular economy	✓	✓	✓
Business conduct	✓	✓	✓
Own workforce		✓	
Consumers and end-users		✓	✓

#### 1 Stage 1 Sourcing

The Group procures a wide range of products, services, and technologies, including electronic devices and network infrastructure. These are either sold to customers or used internally to support our operations. Although the Group does not manufacture equipment, it sources electronic components and systems from global vendors, with the largest spend typically on ICT hardware.

The upstream stages of this supply chain — mineral extraction, component production, assembly, testing, packaging, and transport — carry significant risks, including resource depletion, high energy use, and human rights violations. In response, the Group has launched targeted sustainable supply chain initiatives since 2024 to address these issues.

#### 2 Stage 2 Operations

Network infrastructure is central to the Group's operations and customer service delivery. Investments in advanced technologies, including 5G, ensure continued rollout and maintenance of base stations, exchanges, and cables essential to digital connectivity. While increased data usage drives energy demand and infrastructure upgrades, newer technologies are also improving network energy efficiency.

The Group distributes its products and services through retail stores and digital platforms, supported by both in-house and external logistics providers. Internally, we are working to improve energy efficiency in our operations, offices, and shops, and increase our reliance on renewable energy. Waste minimisation efforts are also a focus. Our employees are critical to operational success. We are committed to protecting their health, safety, and wellbeing, while supporting inclusion, equal opportunities, and ongoing development. Data protection is a fundamental pillar across both infrastructure and retail segments, helping us maintain customer trust.

#### 3 Stage 3 Use and disposal

The Group enables individuals and businesses to stay connected and access essential digital tools and services. As part of our societal role, we help build digital literacy among customers and communities, including those at risk of digital exclusion.

Yet rapid consumer upgrades to newer phones and devices contribute to one of the fastest-growing waste streams globally, electronic waste (e-waste). As a result, responsible e-waste management is a top priority. We are expanding programmes for device recovery, repair, reuse, and recycling, including through customer-facing initiatives.

We also explore smart technologies, such as IoT and AI-driven tools, that improve quality of life while ensuring strong data privacy protections.

## Interests and views of stakeholders

## SBM-2

Active engagement with stakeholders, both locally and globally, provides valuable insights into their interests and needs, enabling us to address potential issues effectively and promptly. In response to the growing interest in the Group's sustainability credentials, we are enhancing our reporting capabilities and strengthening our sustainability governance. To identify priority issues, we continuously assess stakeholder expectations through various engagement channels within the Group.

The Group leverages insights from ongoing stakeholder dialogues as part of our due diligence process to evaluate IROs. For the preparation of the 2024 materiality assessment, internal representatives of key stakeholders were identified and invited to share their views, ensuring that stakeholder interests were considered when determining material topics.

An established internal process ensures that the Group's Senior management, and the Board if required, receives comprehensive information about the opinions and interests of impacted stakeholders from those responsible for the relevant agenda, particularly when specific actions are needed.

At present, the Group does not foresee any changes to its strategy or business model as a result of stakeholder engagement outcomes.

**Own workforce**

The interests, views, and rights of employees play a crucial role in shaping the company's strategy. Engaged employees are key to achieving strategic goals, and their feedback is gathered through surveys, meetings, and focus groups. This feedback ensures that strategic decisions align with workforce interests, enhancing job satisfaction, managing risks, improving retention, and fostering innovation.

Human rights are a core component of the company's strategy, encompassing fair wages, safe working conditions, and non-discriminatory policies. The company regularly evaluates its impact on employees and adjusts its strategies to address identified risks or challenges.

**Consumers and end users**

Our customers are key stakeholders, and their satisfaction is central to our success. We invest in understanding their experiences, interests, views, and human rights, to ensure we meet their expectations.

Regular surveys allow us to gather feedback that drives improvements in our services and products.

When public concerns arise regarding the effects of mobile technology, we address them with transparency. We actively participate in industry-wide initiatives to foster open dialogue on these issues. We also engage with property owners and residents in areas where we plan to build base stations (BTS), addressing potential risks and outlining our mitigation strategies. In addition, we collaborate with municipalities, local industry associations, and advocacy groups to discuss network deployment.

The stakeholders identified by the Group as key affected parties in sustainability, as well as those interested in sustainability information, are summarized in the table below. The table outlines key stakeholders, engagement methods, purposes, and the main areas from their perspective.

## Stakeholder groups and dialogue

Stakeholders	Purpose	Engagement approach	Group's initiatives and responses
<b>Customers</b>	Product quality, Service quality, Value for money, Data protection and privacy	Engagement surveys, Face-to-face contact, Social media, Telephone interactions, Mobile applications, Emails	Customer service training, Develop new products, services and delivery channels, Perform feedback surveys, Improve cybersecurity and data privacy protection policies
<b>Employees</b>	Career security and development, Competitive compensation and benefits, Work-life balance, Respect and fair treatment, Health, safety and wellbeing	Engagement surveys, Performance appraisals, Individual development plans, Internal channels for complaints, Employee focus groups	Uphold code of conduct, Establish human resources policies, Promote good workplace behaviours, Provide career path development, Develop talent management programmes, Perform annual surveys, Provide channels for concerns, Organize CSR activities
<b>Investors, shareholders and lenders</b>	Transparent business information, Prompt and accurate disclosures, Good risk and crisis management, Disclosure of ESG policy	Regular investor relations events, Meetings and dialogues, Regular publications and press releases	Publish annual reports and sustainability reports, Provide transparent and prompt company updates
<b>Suppliers</b>	Equal and fair treatment, Transparent procurement process, Long-term relationships, Shared sustainability values	Regular meetings, Site visits and audits, Supplier surveys	Establish a sustainable supply chain, Review and improve procurement processes
<b>Communities</b>	Job creation, Community development, Reduction in adverse impacts, Regular communication	Regular site visits and meetings, Engagement through employment, sourcing and development activities	Act as a responsible community member, Provide employment and business support, Encourage and support community projects, CSR programmes, Donations and advocacy
<b>Government and regulators</b>	Continuity of services, Regulatory compliance, Involvement in new public policies, Participation in initiatives	Meetings with regulatory bodies, Participation in industry-wide initiatives	Share best practices and research, Participate in government initiatives

# WE SUPPORT



## Associations

While associations may not be primary stakeholders, they play a crucial role in engagement. Collaboration is essential for making meaningful, long-term progress toward a more sustainable future. Many sustainability challenges are complex and multifaceted, requiring a comprehensive understanding of the issues at hand.

By partnering with various organizations, we gain valuable insights into these challenges and can identify solutions that improve our decision-making processes. Furthermore, collaboration fosters the development of significant, impactful initiatives that would be difficult or impossible to achieve through individual efforts.

## United Nations Global Compact

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

## GSM Association (GSMA)

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

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

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



## Case study

**Yettel.**

# Yettel Bulgaria strengthens stakeholder engagement to shape ESG priorities

Stakeholder engagement is essential for Yettel Bulgaria in defining ESG priorities and ensuring that its Sustainability Strategy reflects the expectations of those it impacts. Through open dialogue and continuous feedback from key internal and external groups, the company identifies areas for improvement and focuses its efforts where they matter most.

As part of this commitment, Yettel Bulgaria introduced a local Stakeholder Engagement Policy, which classifies stakeholders as primary or secondary based on the nature of the relationship and defines appropriate engagement channels and methods for each group.

Employee engagement is encouraged through regular feedback surveys and the integration of ESG topics into internal events, such as Yettel Family Day and onboarding sessions for new employees. A key driver of internal sustainability culture is the ESG Crew, a volunteer-led group that promotes sustainable thinking across the organization. Notable initiatives include

educational sessions, circular economy efforts like the Yettel Hanger (a platform for exchanging clothes and hobby items), and challenges such as the E-waste Challenge to collect used electronic devices. Yettel also empowers employees to give back through volunteering, with a shared goal of contributing 1,000 hours annually to community initiatives. In 2024, employees volunteered a total of 1,082 hours to environmental and social causes.

B2B customers are engaged through regular surveys and ESG Connect, a series of networking events designed to foster knowledge-sharing and collaboration. The three editions held to date have covered topics such as developing sustainability strategies, integrating ESG into business operations, and creating inclusive workplace environments. In 2024, Yettel also took the first steps in supplier engagement by encouraging vendors to complete self-assessment questionnaires and enforcing the Group-wide Supplier Code of Conduct.

For the wider public and B2C customers, Yettel conducted national surveys on ESG awareness and digital literacy, exploring trends in smart device use and online behavior. These insights informed interactive campaigns and experiences, such as The Recycler e-waste installation — to help achieve Yettel's goal of reaching 2.5 million people annually with sustainability-related content. Additionally, the Look Around mirror installation, part of the 10th anniversary of the Side by Side program, promoted messages of tolerance and acceptance.

Stakeholder input plays a key role in keeping the company relevant and responsive. For example, feedback from B2B clients led to the expansion of device return services, addressing growing demand for circular solutions. Insights from digital literacy surveys also revealed that children prefer to learn about online safety at home, prompting Yettel to broaden its educational outreach to better support parents as digital mentors.

”



We see stakeholder engagement not as a formality, but as a strategic imperative. Ensuring that the voices of our key internal and external stakeholders are heard and reflected in our actions allows us to drive impact far beyond the boundaries of our organization. We are continuously investing in new channels for dialogue and feedback to build trust, shape better decisions, and accelerate progress on our sustainability goals.

**Michaela Kalaidjieva**  
Chief Corporate Affairs Officer

# Impact, risk and opportunity management

Description of process to identify and assess material impacts, risks and opportunities

IRO-1

The Group conducted a DMA in 2024, based on the methodology set out in the final version of the European Sustainability Reporting Standards (ESRS), as defined in Commission Delegated Regulation (EU) 2023/2272, which supplements Directive 2013/34/EU on corporate sustainability reporting. The assessment covered the sustainability matters specified in the ESRS and included the identification of material IROs from both an impact materiality and a financial materiality perspective, in line with the double materiality principle.

## **Phase I: Understanding the business model and value chain**

The first step in identifying and assessing material IROs was to map and understand the Group's business model and value chain. Resources and relationships across key activities were mapped to establish a clearly defined scope for the DMA.

The identification and assessment of IROs require a comprehensive set of input parameters. The Group draws on both internal data, including performance metrics, employee and customer surveys, and external sources, such as sector-

specific statistics and evolving regulatory requirements.

The scope of the assessment encompasses all major activities and geographic regions in which the Group operates, as well as significant segments of the value chain. To support this process, we reviewed relevant internal documentation and engaged with key stakeholders from the Group's critical business areas.

## **Phase II: Identification of impacts, risks, and opportunities**

In the second phase of the assessment, IROs were identified within the defined topics, sub-topics, and sub-sub-topics in accordance with ESRS 1, Appendix A/AR 16. The Group drew on a wide range of inputs, including internal data, external standards and frameworks such as GRI, GSMA, and publicly available databases like ENCORE. We also used external tools to assess climate risks and conducted a comparative analysis of sustainability disclosures by peer companies in the sector.

The identification process was further informed by insights from the Group's existing due diligence systems, including supplier ESG risk assessments, stakeholder surveys, internal and external stakeholder feedback (e.g., from employees and investors), and documentation prepared for regulatory reporting. This information was reviewed and evaluated through structured interviews with internal experts on the respective topics and with support from external consultants.

The Group placed focus on identifying key activities and business relationships that may lead to increased risk of adverse impacts. These areas include energy consumption in operations, procurement of goods and services, customer and supplier relationships (particularly with high-expenditure suppliers), employee management, and the Group's governance structures. This approach considered impacts arising both from the Group's own operations and from its business relationships. The result was a comprehensive list of IROs, which underwent a validation process to ensure completeness and accuracy.

Stakeholders involved in the identification phase primarily included internal subject matter experts from functions such as Human Resources, Procurement, Legal, and Compliance, all of whom possess a comprehensive understanding of the Group's business model and operations. In addition, the process incorporated insights from other stakeholders, as further described in the section Interests and views of stakeholders.

### Phase III: Assessment of impacts, risks, and opportunities

The assessment of IROs was carried out through active engagement with key internal stakeholders and representatives from the Group's main operating entities. This process was conducted via dedicated workshops and was subsequently validated.

Actual and potential, positive and negative impacts were assessed on a 1 to 5 scale, evaluating severity, extent, and irreversibility to determine their relative significance and likelihood. The assessment drew on available quantitative data from internal and third-party sources, as well as qualitative input gathered during meetings with internal and external stakeholders. Where relevant, local context-specific factors were also taken into account. Information collected in earlier phases of the process informed the evaluation. The assessment also included silent stakeholders, such as nature, through insights derived from third-party research.

Impacts scoring 2.5 – Important or higher were classified as significant impacts and are identified and described as such for the Group.

Financial risks and opportunities were derived not only from the identified actual and potential impacts but also from climate risk analysis. The assessment considered the potential impacts of future events on the Group's assets, performance, and value creation, alongside historical data on past events. Past impacts were analysed

using available financial data, while forward-looking estimates were based on recognised best practices and information from financial institutions and other external sources. The combination of the financial magnitude of an effect and its likelihood of occurrence determined its financial significance.

As with impact materiality, financial risks and opportunities rated 2.5 – Important or above were deemed significant and are included among the Group's significant risks and opportunities.

In identifying, assessing, and managing sustainability-related impacts and risks, the Group leveraged its existing internal risk management systems, which include mechanisms for monitoring regulatory, business, and financial risks related to environmental, social, and governance factors. Similarly, the identification, evaluation, and management of sustainability-related opportunities are embedded within the Group's broader strategic and operational management processes. The Group will continue to monitor sustainability through its established operational and financial risk monitoring procedures, as part of the double materiality approach.

A comprehensive range of input parameters was used throughout the assessment. Internal data sources included performance metrics and employee and customer surveys, while external inputs covered sector statistics and regulatory requirements. The materiality assessment

covered all major activities and geographic regions in which the Group operates, as well as significant parts of the value chain.

### Phase IV: Final validation and approval at higher levels

The consolidated overview of significant IROs was reviewed and validated by the Group's Sustainability Steering Committee and the Sustainability Executive Committee, before being submitted to the Group's Board for final approval.

The DMA will be revised in 2025 to reflect the disposal of the Czech assets, CETIN a.s. and O2 Czech Republic a.s., completed in 2024. However, based on a preliminary assessment, we do not expect material changes to current IROs.

In parallel, the Group assessed the disclosure requirements for individual data points in relation to the identified IROs and the corresponding topic mapping under the ESRS framework, as well as Appendix B of ESRS 2 - List of datapoints in cross-cutting and topical standards that derive from other EU legislation.

The assessment covered all ESRS topics, including Pollution, Water and marine resources, Biodiversity and ecosystems, Workers in the value chain, and Affected communities. However, no impacts exceeding the defined significance threshold were identified in these areas. As a result, no consultations with affected communities were conducted in relation to immaterial topics.

### Climate related impacts, risks and opportunities

**E1** Impacts, risks and opportunities related to climate change mitigation and adaptation are identified based on our climate scenario analysis, covering both physical and transitional climate-related impacts, risks and opportunities, and aligned with international best practices, including the Task Force on Climate-related Financial Disclosures (TCFD) framework.

#### Analysis of impacts on climate change

To assess the Group's impact on climate change, greenhouse gas (GHG) emissions were calculated by an external consultant in close collaboration with internal experts, in accordance with the GHG Protocol, covering Scope 1, Scope 2, and Scope 3 emissions. The Group systematically screened all current and planned activities to identify actual and potential sources of GHG emissions.

As part of the DMA, the Group identified GHG emissions arising from both its own operations and its value chain. Climate-related impacts were further identified through engagement with internal and external experts, as well as external stakeholders, including industry associations (e.g. GSMA) and customers. Through targeted workshops and interviews, both within and outside the organization, the Group gathered input that enhanced its understanding of the significance and relevance of climate-related issues.

### Physical climate risks analysis

The analysis of physical climate risks covered a wide range of chronic and acute climate-related hazards in line with the ESRS and EU Taxonomy. We assessed physical climate risks using third-party software that allows site-level analysis of a wide range of acute and chronic climate hazards and projections of climate variables across multiple future-looking scenarios and time horizons. The aim was to assess potential damage from the adverse effects of climate change on our assets (exposure) and their potential financial implications (vulnerability). This assessment includes a comprehensive examination of more than one thousand key assets, including network infrastructure, data centres, warehouses, retail locations, and offices, across the countries in which we operate.

Using the tool, we have modelled three Representative Concentration Pathways (RPC) climate scenarios - RCP2.6-SSP126 (Optimistic scenario), RCP4.5-SSP245 (Pessimistic scenario) and RCP8.5-SSP585 (No breakout scenario) in the short, medium (2030) and long-term (2050) time horizons. SSP climate scenarios are derived from the latest Sixth Assessment Report of the IPCC (IPCC AR6) and contain socio-economic and macroeconomic attributes. In combination with RCP scenarios that contain physical attributes, they form a suitable combination for climate risk analysis. RCP2.6-SSP126, referred to as the low scenario, assumes the lowest concentration of carbon dioxide in the atmosphere with

climate action in place, while the IPCC specifically describes RCP4.5-SSP245 as a medium scenario with no strong climate policies and regulations in place. RCP8.5-SSP585 represents a worst-case scenario with the highest concentration of carbon dioxide in the atmosphere, which could occur without major regulatory measures and interventions.

The Group has evaluated ten major climate risk hazards — further broken down into 51 partial and 81 climate risk indicators — for medium-term (2025–2030) and long-term (2030–2050) time horizons. Time horizons used during assessment are linked to expected technical and moral lifetime of its assets, strategic planning horizons and capital allocation plans.

### Transition climate risks analysis

The analysis of transition risks and opportunities is based on qualitative analysis of transition events within the TCFD framework: (i) Policy and legal, (ii) Technology, (iii) Market, (iv) Reputation. Analysis was conducted in following steps: (1) create longlist of potential risk and opportunities relevant for Group activities, (2) shortlisting most relevant risk and opportunities, (3) assessment of risk and opportunities with representatives of the Group during a workshop.

Transition climate risks and opportunities are identified through literature review, and engagement of internal and external subject matter experts. A list of sector-specific risks on policy, technology, market and reputation are identified alongside a list of sector-specific opportunities related to resource efficiency, energy sources, products and service, and markets.

Afterwards, these risks and opportunities are ranked based on their potential impact on the Group using a consequence/likelihood scale. The assessment of the potential impact of the most material transition risks and opportunities is based on two different scenarios and assessed across three different time horizons: short-term (one-five years), medium-term (five-10 years), and long-term (10–30 years).

The scenarios used are the International Energy Agency's Net Zero Emissions by 2050, representing a climate scenario in line with limiting global warming to 1.5°C, and the Stated Policy Scenario, representing a more conservative benchmark for the future, not taking for granted that governments will reach all stated goals and energy-related objectives.

Assessing and calculating the financial impact of physical and transitional risks and opportunities is an area of increasing importance in our strategic approach. We are in the process of carrying out calculations of anticipated financial effects but recognise the uncertainty around climate change and the impact this has on calculations.

All identified material climate impacts, risks and opportunities are in this Report's section ESRS 2 (SBM-3 Material impacts, risks and opportunities, [p. 35](#)) and [E1](#), including actions, metrics, and targets related to climate change adaptation and mitigation.



[↩ Content](#)**E2 Pollution-related impacts, risks, and opportunities**

Pollution-related IROs were identified through expert involvement, internal data analysis, and peer comparison. E2 Pollution is excluded from our reporting scope because we found no material IROs in our operations. We aim to collect more robust data to confirm this for our value chain. We address pollution impacts indirectly in our supply chain through actions and targets in sections E1 and E5, ensuring compliance with regulations.

**E3 Water and marine resources related impacts, risks, and opportunities**

We assessed the impacts and risks related to our water and marine resources through internal expertise, data analysis, and peer comparison. We estimate our supply chain impact from sectoral reports on water use and pollution. Our operational impact is based on actual water usage across facilities by location. Since the mobile devices or other electronic equipment we sell do not use water, downstream impact is minimal. We aim to gather robust upstream data to refine our conclusions.

E3 Water is excluded from reporting as no material issues were identified in our operations. We need further data to confirm our initial assessment that the upstream impact is not significant.

**E4 Biodiversity and ecosystems related impacts, risks, and opportunities**

We evaluated biodiversity impacts and risks using internal expertise, data analysis, and peer comparisons across our value chain. Our supply chain impact assessment relies on procurement spend, industry studies, and supplier reports. None of our facilities near biodiversity-sensitive areas were found to cause significant habitat deterioration. We assessed downstream impacts through waste (E5) and emissions (E1), and sectoral-level dependencies on biodiversity.

Biodiversity and ecosystems (E4) are excluded from reporting due to no material issues identified. We aim to gather more robust data for future assessments. No material negative impacts on priority ecosystem services relevant to affected communities were found.

**E5 Resource use and circular economy related impacts, risks, and opportunities**

Electronic devices rely on rare metals, and their manufacturing contributes to the depletion of finite resources. The construction, renovation, and maintenance of networks and data centres generate various types of waste, including electronic waste and packaging materials. Improper disposal of such waste can result in environmental contamination. This also applies to electronic waste generated by consumers and end-users, such as mobile phones.

We assessed our circular economy and resource use IROs by consulting internal experts, analysing data, reviewing sectoral reports, and comparing peers. We also consulted external experts and stakeholders like our customers. This analysis covers our entire value chain. Our waste management process reports relevant waste treatment methods for our operations and for waste from sold electronic devices. E5 is included in our reporting with identified impacts described in section E5 – Resource use and circular economy of this Report.

**G1 Business conduct related impacts, risks, and opportunities**

We identified business conduct topics through internal discussions, interviews, and data from whistleblower and compliance systems. G1 is included in our reporting with identified impacts described in G1 – Business conduct section of this Report.

## Material impacts, risks and opportunities

## SBM-3

Based on the DMA, significant topics at the level of sub-topics and sub-sub-topics, were identified according to relevant impacts, risks, and opportunities. The results, aggregated according to the European Sustainability Reporting Standards (ESRS), highlight E1, E5, S1, S4, and G1 (including cybersecurity) as our most material sustainability matters. We believe these findings provide a fair representation of our IROs, although they may evolve over time. Therefore, a review will be conducted at the end of each strategy period, unless significant changes occur in the interim.

The identified impacts and risks encompass both environmental and societal dimensions. Environmental impacts are primarily linked to energy consumption within our infrastructure, our business relationships through the procurement of goods and services, and the use of our products, including the generation of waste. Social impacts relate to our workforce, our customers, and how they access and use our products and services, including risks associated with usage, and governance related to our operations, particularly in relation to supplier relationships.

The Group incorporates the findings of the DMA into its existing business strategy. While most identified IROs are already being addressed, we will continue to monitor factors such as the regulatory environment and adjust our plans accordingly. At present, the Group does not find it necessary to develop a specific resilience strategy for social and governance-related IROs. Instead, our focus is on developing a resilience strategy for climate-related impacts and risks, which includes a transition plan and a physical risk mitigation strategy (see [Chapter E1](#) for more details).

For the current reporting period, the identified risks did not have a material effect on our financial position, financial performance, or cash flows. Additionally, we have not identified a significant risk of a material adjustment to the carrying amounts of assets or liabilities reported in our financial statements within the next annual reporting period.

For more information on how these material IROs align with our strategic objectives and business operations, please refer to the respective topical sections of the Report. Detailed tables outlining the sustainability-related impacts and risks identified through our comprehensive DMA are provided below.

[↶ Content](#)

## E1 Climate change

E1 Climate change					Value chain	Time horizon				
Sub-topic	Impact/ Risk/ Opportunity	Actual/ Potential	<div><div>+</div><div>Positive/</div><div>–</div><div>Negative</div></div>	Description	Upstream	Own operation	Downstream	Short-term	Mid-term	Long-term
Climate change mitigation	Impact	Actual	–	The construction and maintenance of physical infrastructure, including both fixed and mobile networks, involves the procurement and transportation of equipment, materials, and personnel. The Group also purchases electronic devices such as mobile phones, tablets, and modems for resale. The manufacturing and transportation of these products consume energy and fuel, resulting in the emission of greenhouse gases into the atmosphere. These emissions contribute to global warming and climate change.	×			×	×	×
Climate change mitigation Energy	Impact	Actual	–	Operating networks, data centres, offices, retail stores, and vehicle fleets consumes energy and results in greenhouse gas emissions that contribute to global warming and climate change.	×	×		×	×	×
Climate change mitigation	Impact	Actual	–	The use of sold devices and services by customers requires energy, resulting in greenhouse gas emissions that can alter atmospheric composition and potentially affect climate patterns.			×	×	×	×
Climate change adaptation	Risk	N/A	N/A	Climate change poses increasing risks to telecommunications infrastructure, particularly due to rising temperatures and more frequent extreme weather events. Data centres face higher cooling costs and energy demands during heatwaves, while storms, floods, and wildfires threaten physical assets such as towers and cables.	×					×

## E5 Resource use and circular economy

E5 Resource use and circular economy					Value chain	Time horizon					
Sub-topic	Impact/ Risk/ Opportunity	Actual/ Potential	<div><div>+</div><div>Positive/</div><div>–</div><div>Negative</div></div>	Description	Upstream	Own operation	Downstream	Short-term		Long-term	
								Mid-term	Long-term		
Waste	Impact	Actual	–	The construction, renovation, and maintenance of networks and data centres generate various forms of waste, including electronic waste. In retail operations, additional waste is produced from packaging materials such as plastic and paper. Improper disposal of these materials can lead to environmental contamination. Furthermore, the use of paper in operations, packaging, or other applications may be linked to deforestation.		×		×	×	×	
Waste	Impact	Actual	–	When customers dispose of used mobile phones and other electronic devices, they generate electronic waste. Improper disposal of this waste can lead to environmental contamination.			×	×	×	×	
Resource inflows, including resource use	Impact	Actual	–	The production of electronic devices and equipment used or sold by the Group requires the extraction of rare metals and minerals, contributing to the depletion of the Earth's finite resources.	×			×	×	×	

[↩ Content](#)

## S1 Own workforce

S1 Own workforce					Value chain	Time horizon				
Sub-topic	Impact/ Risk/ Opportunity	Actual/ Potential	<div><div>+</div><div>Positive/</div><div>–</div><div>Negative</div></div>	Description	Upstream	Own operation	Downstream	Short-term	Mid-term	Long-term
Working conditions: Working time	Impact	Potential	–	During peak periods, such as maintenance work or weather-related infrastructure damage, technical employees may face unpredictable demand s and uneven workloads. If not properly monitored or compensated, this can negatively impact their quality of life.	×		×	×		
Working conditions: Freedom of association Collective bargaining	Impact	Potential	–	The Group does not restrict the formation of unions in the workplace. However, not all operations have active unions or worker representation, which may limit employees' access to information and their ability to participate in decision-making processes that affect their professional lives and the organisation's goals.	×		×	×		
Working conditions: Work-life balance	Impact	Actual	+	The Group promotes employee well-being through policies that support flexible working hours and generous time off. These measures aim to create a supportive environment while respecting work-life balance.	×		×	×		
Working conditions: Health and safety	Impact	Potential	–	Employees and contractors involved in the construction and maintenance of telecommunications infrastructure face a higher risk of injury, which may affect their well-being and productivity. Additionally, call centre and retail employees may experience periods of elevated mental stress, which if not properly addressed can adversely impact their health.	×		×	×		
Equal treatment and opportunities for all: Gender equality and equal pay for work of equal value	Impact	Potential	–	The Group applies a non-discriminatory approach to hiring, promotion, and reward. However, gender disparities may persist in certain roles that are more male-dominated. Inadequate oversight or lack of gender-focused policy optimisation could result in unequal treatment of employees.	×		×	×		
Equal treatment and opportunities for all: Training and skills development	Impact	Actual	+	The Group delivers structured programmes and initiatives to strengthen employees' knowledge, skills, and competencies. These efforts support effective job performance and help employees adapt to evolving role requirements or pursue career advancement.	×		×	×		
Equal treatment and opportunities for all: Measures against violence and harassment in the workplace	Impact	Potential	–	Policies, procedures, and training programmes are in place to prevent workplace violence and harassment, which can lead to psychological harm, human rights violations, and other serious consequences.	×		×	×		



[↶ Content](#)

## S4 Consumers and end-users

S4 Consumers and end-users					Value chain	Time horizon				
Sub-topic	Impact/ Risk/ Opportunity	Actual/ Potential	<div><div>+</div><div>Positive/</div><div>–</div><div>Negative</div></div>	Description	Upstream	Own operation	Downstream	Short-term	Mid-term	Long-term
Social inclusion of consumers and/or end-users: Access to products and services	Impact	Actual	<div><div>+</div></div>	As a telecommunications provider, the Group is committed to delivering reliable connectivity and ensuring that information and communications technology remains accessible and affordable for all. In today's digital world, such access is increasingly recognised as a fundamental human right.			x	x	x	
Social inclusion of consumers and/or end-users: Access to products and services	Impact	Potential	<div><div>–</div></div>	The Group operates key telecommunications infrastructure that supports essential societal functions. Network failures could disrupt service delivery and impair access to critical public and private services reliant on mobile and fixed connectivity.			x	x	x	
Information-related impacts for consumers and/or end-users: Privacy/Cybersecurity	Impact	Potential	<div><div>–</div></div>	The Group handles a substantial volume of customer data across its operations. Deficiencies or breaches in network security can lead to data leaks, including sensitive information, and may infringe on customers' rights to data protection. Improper handling or processing of personal data may result in privacy violations such as identity theft, financial loss, or other personal harm.			x	x	x	
Information-related impacts for consumers and/or end-users: Privacy/Cybersecurity	Impact	Actual	<div><div>+</div></div>	Customers using the Group's online services may be vulnerable to cyberattacks and internet fraud. Strengthening data protection and improving resilience against such threats is essential. The Group offers comprehensive cybersecurity solutions to support safe internet usage among customers.			x	x	x	
Personal safety of consumers and/or end-users	Impact	Actual	<div><div>+</div></div>	To promote safe internet usage, the Group provides educational and training programmes for the general public. These initiatives help customers and their families understand and mitigate potential online risks.			x	x	x	
Information-related impacts for consumers and/or end-users: Privacy/Cybersecurity	Risk	N/A	N/A	Security incidents can result in regulatory fines, reputational damage, customer attrition, and negative financial consequences. Compromised personal data may also lead to adverse publicity, eroding customer trust and damaging the Group's brand reputation.	x		x	x	x	x

G1 Business conduct

Sub-topic	Impact/ Risk/ Opportunity	Actual/ Potential	<div>+</div> <div>Positive/</div> <div>-</div> <div>Negative</div>	Description	Value chain	Time horizon			
					Upstream	Own operation	Downstream	Short-term	Mid-term
Corporate culture	Impact	Potential	-	The Group has established policies and procedures aimed at minimising the risk of an unhealthy corporate culture that could result in unethical behaviour, discrimination, or harassment. Such issues can contribute to a difficult work environment, reduce employee morale, and create disconnects across different levels of the organisation.	×		×	×	
Corruption and bribery	Impact	Potential	-	Bidding for large contracts, particularly in the public sector, carries a heightened risk of corruption and bribery, which may undermine the integrity of institutions and the rule of law. To mitigate this risk, the Group has implemented robust anti-corruption policies and procedures.	×		×	×	
Management of relationships with suppliers - addressing sustainability matters in the procurement process	Impact	Potential	-	The Group sources goods and services from a wide range of suppliers. Identifying and managing potential human rights and environmental risks within the supply chain is important. To address these risks, the Group is establishing a supplier management programme.	×		×	×	



## Klára Zavadilová ESG Manager

Our first double materiality assessment was more than a compliance exercise. It brought together experts and senior leadership not only to enhance the quality of our sustainability reporting but also to align internal understanding of material sustainability issues. By combining impact and financial materiality, we are better positioned to connect ESG efforts with risk management and strategic priorities.

While beneficial, the process presented challenges. Establishing a shared understanding of materiality across diverse functions required significant coordination and dialogue, and gathering robust data while meeting evolving regulatory expectations demanded time and adaptability. Despite these hurdles, the double materiality assessment has proven to be a valuable tool that we will continue to refine to support decision-making and strengthen our overall sustainability strategy.

Chapter



# Environmental information





# E1 Climate change

Impact, risk and opportunities

SBM-3

Climate change is the most material environmental issue for both stakeholders and businesses in the telecommunications sector.

Data transmission, network connectivity, and server storage require significant energy input. As data traffic grows and 5G deployment continues, the energy demands of telecom networks are increasing accordingly. In addition to electricity use, greenhouse gas (GHG) emissions arise from other sources, most notably transportation and indirect emissions across the value chain, including those from the manufacturing of devices, IT and network equipment we procure, as well as the use of sold products and services by customers.

Our commitment to climate action goes beyond reducing our own footprint. We are also addressing growing physical risks associated with climate change, such as temperature fluctuations and extreme weather events, by strengthening the long-term resilience of our operations.

All operations were included in the DMA, and all material impacts, risks, and opportunities (IROs) identified under the ESRS E1 standard on climate change are listed in the table below and further detailed throughout this chapter. Additional context is provided in the Impact, risk and opportunity management section, [p. 31](#).

→  
Bulgaria's largest solar  
power plant Verila  
supplying electricity to  
CETIN and Yettel





[↩ Content](#)

## E1 Climate change

Impact description	Value chain	Actual/Potential
<div><div>−</div><div><b>Climate change mitigation</b> The construction and maintenance of physical infrastructure – including both fixed and mobile networks – involves the procurement and transportation of equipment, materials, and personnel. The Group also purchases electronic devices such as mobile phones, tablets, and modems for resale. The manufacturing and transportation of these products consume energy and fuel, resulting in the emission of greenhouse gases into the atmosphere. These emissions contribute to global warming and climate change.</div></div>	Upstream	Actual
<div><div>−</div><div><b>Climate change mitigation / Energy</b> Operating networks, data centres, offices, retail stores, and vehicle fleets consumes energy and results in greenhouse gas emissions that contribute to global warming and climate change.</div></div>	Upstream Own operations	Actual
<div><div>−</div><div><b>Climate change mitigation</b> The use of sold devices and services by customers requires energy, resulting in greenhouse gas emissions that can alter atmospheric composition and potentially affect climate patterns.</div></div>	Downstream	Actual
<b>Financial risk or opportunity description</b>		
<div><div>↓</div><div><b>Climate change adaptation</b> Climate change poses increasing risks to telecommunications infrastructure, particularly due to rising temperatures and more frequent extreme weather events. Data centres face higher cooling costs and energy demands during heatwaves, while storms, floods, and wildfires threaten physical assets such as towers and cables.</div></div>	Own operations	

Impact materiality 

+

 Positive 

−

 Negative

Financial materiality 

↑

 Opportunity 

↓

 Risk

\* e-waste, including network equipment, mobile devices, customer premises equipment (CPE), and other electronic waste generated by operations

### Climate change related impacts

The telecommunications sector sits downstream in the electronics supply chain and maintains direct engagement with end users. Every stage of this value chain, from raw material extraction and component manufacturing to warehousing, distribution, usage, and end-of-life management, has a significant environmental impact.

### Energy consumption and Scope 1 and 2 GHG emissions

Our operations depend heavily on energy to power a broad range of equipment, including servers, cooling systems, transceivers, terminals, modems, and end-user devices. Core activities such as data centre operations, infrastructure deployment, and network maintenance are driving our energy consumption and associated greenhouse gas (GHG) emissions.

As data transmission volumes and storage needs continue to rise, our overall energy demand increases. While 5G technology offers improved energy efficiency per unit of data transmitted, its rollout requires additional base stations, frequency layers, and connected devices, resulting in higher absolute energy consumption. In 2024, we sourced nearly half of the energy used in our operations from renewable sources, significantly reducing our environmental impact.

Our Scope 1 and 2 emissions primarily arise from:

- Purchased electricity used to power the Group's networks, technology centres, offices, and retail stores
- Fuel consumption from company-owned or leased vehicles
- Fuels used in generators operating in off-grid areas or as backup power sources
- Fugitive emissions from refrigerants and fire suppressants used in air conditioning and fire control systems in network facilities and offices

### Scope 3 GHG emissions

Our Scope 3 emissions arise from indirect activities across our value chain, linked to both the production and end use of our products and services. These include emissions from the manufacturing and transportation of network equipment, outsourced services, employee commuting and business travel, as well as the energy consumed by customer devices using our services. End-of-life disposal of infrastructure and consumer electronics also contributes.

Our Scope 3 emissions primarily arise from:

- Purchased goods and services, including mobile phones and other electronic devices
- Capital goods
- Use of sold or leased products by customers, such as phones and connected devices

### Climate change-related risks and opportunities

The telecommunications sector faces a range of climate-related risks that may affect both infrastructure and day-to-day operations. These include extreme weather events, such as high winds and heavy rainfall, which can cause power outages, as well as temperature fluctuations and prolonged heat waves that challenge the operation of data centres. The sector is also exposed to global supply chain disruptions resulting from climate-related impacts.

In 2024, the Group conducted a comprehensive climate risk assessment, including both physical and transition risks, to evaluate the resilience of its business to climate change. The assessment covered the entire value chain, with a focus on areas where the Group can exert direct influence. As part of the physical risk analysis, we reviewed thousands of key assets including network infrastructure, data centres, warehouses, retail stores, and offices across all countries where we operate (see the General Disclosures section for details).

Climate-related risks and opportunities deemed potentially material over the medium- and long-term horizons are presented in the table below.

Our operations are exposed to both acute and chronic climate risks that could potentially disrupt business continuity. To mitigate these risks, we have adopted a range of strategies, some of which may require additional capital investment. While physical climate risks could impact our

infrastructure and facilities, they are not expected to materially affect our operations over the short to medium term. Long-term impacts will depend on the progression of climate change and the availability of adaptive technologies.

Our business outlook is influenced by political and regulatory developments, including market-based mechanisms like the EU Emissions Trading System (ETS). Although the telecommunications sector is not among the most carbon-intensive industries, we can be indirectly affected by the rising cost of fossil fuel-based electricity driven by ETS. This could impact our cost structure, particularly for powering data centres, mobile networks, and infrastructure. In addition, equipment manufacturers and service providers subject to ETS may pass on their compliance costs, potentially increasing our operational expenses. If we are unable to distribute these costs further along our value chain, our profitability may be affected. This incentivises our efforts to deploy renewable energy and improve energy efficiency.

At the same time, the climate transition presents opportunities for innovation and growth – particularly through investment in energy-efficient networks, renewable power, and sustainable product design. These initiatives not only reduce environmental impact and operational costs but also strengthen our brand, attract environmentally conscious customers and investors, and enhance access to green financing and strategic partnerships. We are currently exploring these opportunities and their commercial benefit.

## Identified potential climate-related risks and opportunities

Risks			
Temperature-related risks	Physical	Chronic	Rising average temperatures, heat stress, and heatwaves may increase cooling requirements, reduce the effectiveness of smart cooling solutions such as free cooling, and cause damage to some technologies due to overheating.
Extreme weather	Physical	Acute	Blizzards and strong wind gusts may damage towers and cables, causing local outages of mobile and internet services.
Flood	Physical	Acute	Floods may temporarily disrupt mobile and internet services. Damaged assets would need to be replaced, resulting in significant capital expenditure.
Carbon pricing and emissions regulation	Transition	Policy and legal	Mechanisms aimed at reducing greenhouse gas emissions (e.g. EU ETS) increase the cost of energy. As Europe is committed to net-zero targets, we expect this trend to continue. Without appropriate measures, it could impact our long-term profitability.
Opportunities			
Energy-efficient infrastructure	Transition	Resource efficiency	We expect energy costs to rise alongside technological development. Energy efficiency measures (e.g. low-power network equipment, data centres, and cooling systems) could therefore deliver significant cost savings.
Green digital services	Transition	Products and services	If a climate-conscious scenario prevails, customers will become more sensitive to offerings with a lower environmental impact. Providing such products or services could increase our long-term revenue.
Access to green finance	Transition	Markets	Improving our ESG performance may qualify us for sustainability-linked loans or green bonds. As these typically offer more favourable conditions, this could lower our financing costs.

[↶ Content](#)

## Transition plan for climate change mitigation

E1-1

The objective of our climate change mitigation strategy is to reduce our carbon footprint and minimise climate-related risks to our operations. The Group is not excluded from the EU Paris-aligned benchmarks, and our transition efforts are aligned with our emission reduction targets. These targets were validated by the Science Based Targets initiative (SBTi) in early Q1 2025, confirming that our climate mitigation plan is consistent with the Paris Agreement goal of limiting global warming to 1.5°C. We are

also committed to reducing emissions beyond our direct operations, supported by SBTi-validated Scope 3 targets.

None of our assets have been identified as having locked-in emissions. Further detail on Group targets is provided in Chapter E1-4, [p. 49](#).

We have identified several key levers to achieve our targets:

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

#### Improving energy efficiency

We are focused on optimising energy consumption across our networks and other operational assets to mitigate the impact of rising energy costs and future price volatility. We are also exploring opportunities to enhance energy efficiency through network sharing agreements, including a new agreement signed in Slovakia in 2024.

#### Sourcing clean energy

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

#### On-site renewable generation

To reduce reliance on fossil fuels, we have invested in on-site renewable electricity generation and energy storage, such as installing photovoltaic systems at our data centres.

#### Fleet electrification

We are exploring opportunities for the broader deployment of electric vehicles.

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

#### Supply chain decarbonisation

This area presents a significant challenge, as purchased goods and services and

capital goods account for 80.3% of our Scope 3 emissions and 69.4% of our total emissions. Our objective is to develop a robust approach to supplier engagement and the procurement of electronic devices, including network equipment and customer-facing products, that incorporates product carbon footprint criteria for both upstream and downstream activities.

#### Supplier data collection

We are collecting carbon footprint data from suppliers to better evaluate and differentiate the environmental impact of our products.

No additional CAPEX or OPEX was required in 2024 to implement our decarbonisation levers, as these initiatives were absorbed within our existing cost structure. Our capital and operational expenditures related to greenhouse gas emission reduction are aligned with the Commission Delegated Regulation (EU) 2021/2178. We expect our alignment with the EU Taxonomy to remain limited in the foreseeable future, due to the current scope of taxonomy-eligible activities for the telecommunications sector. For further information on the EU Taxonomy, see [pages 62–66](#).

The transition plan is scheduled for submission to Executive Management and the Board for approval in early H2 2025.

## e& PPF Telecom Group SBTi targets

1

**e& PPF Telecom Group B.V. commits to reduce absolute scope 1 and 2 GHG emissions 42% by 2030 from a 2022 base year.**

2

**e& PPF Telecom Group B.V. also commits to reduce absolute scope 3 GHG emissions from purchased goods and services, capital goods and fuel- and energy-related activities 25% within the same timeframe.**

[Content](#)

## Case study



# CETIN Slovakia reduces environmental footprint through mobile network sharing

Reducing energy consumption, environmental impact, and infrastructure duplication is essential for building sustainable telecommunications networks. CETIN Slovakia's network sharing agreement reflects its commitment to infrastructure efficiency, environmental responsibility, and long-term cost optimisation.

In July 2023, CETIN Slovakia signed a network sharing agreement with Slovak Telekom. The agreement divides Slovakia into two operating areas with approximately equal numbers of base stations, managed separately by each operator. The Bratislava and Košice regions are excluded. Network consolidation began in 2023 and is expected to be completed by the end of 2025. Once finalised, the shared network will consist of over 2,400 common base stations, up from 1,500 at the beginning of 2024.



The initiative improves coverage and capacity, particularly in dense urban areas and remote rural zones, while delivering tangible business and environmental benefits. For CETIN Slovakia, it results in lower capital and operational expenditures, reduced electricity consumption, and fewer active sites. In 2024 alone, the shared network achieved energy savings of 2.3 GWh and avoided 822 tCO<sub>2</sub>e in emissions. Once fully implemented, annual energy savings are projected to reach 7.8 GWh,

with a reduction of 2,789 tCO<sub>2</sub>e. The project also reduces visual impact by enabling the decommissioning of redundant sites.

The agreement is jointly managed by CETIN Slovakia and Slovak Telekom. Regulatory considerations and competition safeguards were addressed early in the process. The project underscores the benefits of regional collaboration and coordinated network development to support sustainable outcomes.

”



This agreement marks an important step forward in building a more sustainable and efficient network. By reducing duplicate infrastructure and optimising energy use, we're not only cutting costs and emissions – we're also improving coverage for customers. It's a clear example of how smart engineering can deliver both environmental and operational benefits.

**Peter Poliak**  
Chief Technology Officer



<div>48</div> <div>Environmental information   E1 Climate change</div> <div> <div>⏮ Content</div> </div> <div> <div> <div>Policies related to climate change mitigation and adaptation</div> <div>E1-2</div> </div> <div> <p>As the Group functions as a holding company, its operating entities – CETIN, O2, and Yettel – have established their own environmental policies and internal guidelines. These policies reflect commitments to environmental protection, pollution prevention, continuous improvement, compliance with relevant environmental legislation, and employee training and stakeholder engagement on environmental issues.</p> <p>The Group actively seeks opportunities to enhance energy efficiency and environmental responsibility. Acknowledging its role in managing the environmental impact of its operations, products, and services, the Group has implemented a standardisation process to align environmental management across its business units. All business units are certified under ISO 14001, with compliance verified through external audits. In addition, CETIN Hungary holds ISO 50001 certification for energy management, also externally audited.</p> </div> </div>	<div>e&amp; PPF Telecom Group 2024 Sustainability Report</div> <div> <div> <div> <div>Policies, Actions and resources, Metrics and targets</div> <div> <div>MDR-P/ E1-1</div> <div>MDR-A/E1-3</div> <div>MDR-T/E1-4</div> <div>E1-5/6</div> </div> </div> <div> <p>Our environmental objectives – focused on reducing environmental impacts and managing climate-related risks – are fully aligned with the Group’s corporate strategy and stakeholder expectations. We place strong emphasis on the transparent disclosure of our actions. To address growing climate-related risks, such as temperature fluctuations and extreme weather events, we are implementing measures to strengthen the long-term resilience of our operations.</p> <p>Our key areas of focus include:</p> <p><b>Climate change mitigation and energy</b> We aim to minimise our environmental footprint across the entire value chain by improving energy efficiency, achieving energy savings, sourcing renewable energy, and managing input materials and waste effectively.</p> <p><b>Energy Efficiency Programme</b> Energy savings are a critical decarbonisation lever for the Group, as Scope 1 and 2 emissions represent 13.7% of our total greenhouse gas emissions, with CETIN’s network operations accounting for 90.8% of these. The programme includes modernising network equipment, expanding 5G infrastructure, establishing network-sharing agreements, transitioning to fibre-based networks, and deploying software and automation to enhance efficiency. Sustainable network solutions and efficient cooling systems are also being implemented. These initiatives are designed to reduce energy consumption, optimise shared infrastructure, and improve energy efficiency in data transmission and operations. As part of this programme, CETIN entities delivered approximately 5.6 GWh in annual electricity savings through activities initiated in 2024 – equivalent to a 1.9% reduction in Group’s total electricity consumption.</p> <p><b>Renewable energy</b> <b>Electricity from renewable sources</b> We are committed to sourcing electricity from renewable sources and prioritise direct procurement through Power Purchase Agreements (PPAs) wherever feasible. Since 1 January 2022, all electricity used to power our network and retail operations in Serbia has been sourced exclusively from green-certified renewable energy, supplied by the Djerdap I hydroelectric power plant (also known as Iron Gates I). In 2023, the Group signed a ten-year PPA with Electrohold Bulgaria, effective from September 2023, enabling the procurement of electricity from a newly constructed solar plant. This agreement covers the majority of energy consumption for both Yettel and CETIN Bulgaria.</p> </div> </div> </div>
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On-site renewable electricity generation

We are also investing in on-site renewable energy solutions and energy storage, including photovoltaic systems installed at data centres, towers, and mobile base stations, to further reduce reliance on fossil fuels.

Together, the energy efficiency and renewable energy measures described above increased the Group's renewable energy share to nearly 50% at the end of 2024.

Fleet electrification

CETIN Hungary began transitioning its fleet to electric vehicles in 2023. By the end of 2024, the fleet included 12 fully electric vehicles and 12 plug-in hybrids prioritising electric drive, reducing CO<sub>2</sub> emissions from mobile combustion by an estimated 20 tonnes per year.

Supply chain management

We are developing a comprehensive supply chain engagement plan to address Scope 3 emissions. This includes initiating data collection on the carbon footprint of purchased products and integrating CO<sub>2</sub> emissions into procurement criteria. Over time, we aim to adapt our product portfolio based on the carbon intensity of the goods and services we procure.

Climate change adaptation

We are developing comprehensive climate risk analysis and resilience plans to reduce the risks associated with climate change.

Targets for Scope 1, 2, and 3 GHG emissions

We have set two GHG emissions reduction targets for the newly formed e& PPF Telecom Group:

Scope 1 and 2  
42% reduction

Scope 3  
25% reduction

by 2030 from  
a 2022 baseline

Both targets are aligned with the Science Based Targets initiative (SBTi), supporting the global objective of limiting warming to 1.5 °C above pre-industrial levels. The commitments cover all three emission scopes – not only the Group's direct operations, but also its upstream and downstream value chain. These targets apply to all entities within the newly formed Group (as defined in ESRS 2, p. 13). As all targets are near-term, no additional milestones or interim targets have been adopted at this stage.

The targets cover the majority of the Group's emissions, including total Scope 1 and Scope 2 emissions, as well as emissions from the most significant Scope 3 categories - purchased goods and services, capital goods, and fuel- and energy-related

activities. In total, the targets encompass 77% of the Group's total base year GHG emissions.

The Group began measuring its carbon footprint and implementing climate-related actions in 2022. As a result, 2022 was selected as the baseline year for the Group's emission reduction targets. The Group expects that energy efficiency measures will contribute approximately 8%, while the increased use of renewable energy will contribute another 34% of the anticipated reductions in Scope 1 and 2 emissions. The remaining reductions are expected to result from improvements in material efficiency, driven by updated procurement criteria. Progress toward these goals continued in 2024 (see table below).

GHG emissions reduction targets

	2022 baseline	2024 actual	2030 target
GHG Scope 1+2 (tCO <sub>2</sub> e) market-based	83,356	59,025	48,346
% reduction relative to baseline		-29%	-42%
GHG Scope 3 (tCO <sub>2</sub> e) purchased goods and services, capital goods and fuel/energy- related activities	333,247	263,284	249,936
% reduction relative to baseline		-17%	-25%

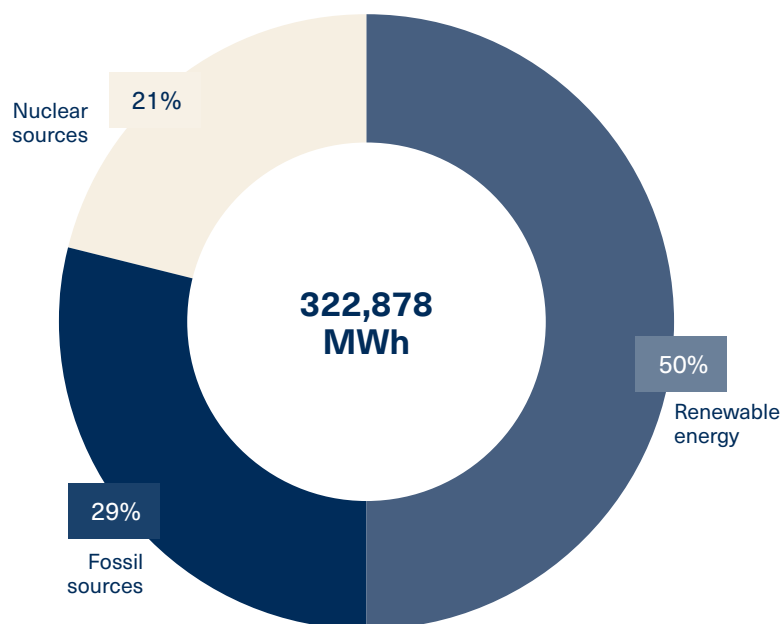
## Energy consumption and mix

E1-5

In 2024, the Group's operations required 322,878 MWh of energy, marking a 4% increase compared to the previous year. Most of this energy consumption (Scope 1 and 2, as defined by the GHG Protocol) was related to powering the Group's networks, data centres, and retail locations. Despite continued business growth, the rise in

energy use remained moderate. These figures are based on direct measurements and have been externally verified. The Group does not operate in sectors with high climate impact; its core activities fall under the telecommunications services sector (NACE Section J).

## 2024 energy consumption by source



## Energy consumption by source

	2023 restated	2024	Change yoy
<b>Total energy consumption (MWh)</b>	<b>310,489</b>	<b>322,878</b>	<b>4.0%</b>
Total fossil energy consumption (MWh)	109,572	93,794	-14%
Share of fossil sources in total energy consumption (%)	35%	29%	-6 p.p.
Consumption from nuclear sources (MWh)	84,164	68,177	-19%
Share of consumption from nuclear sources in total energy consumption (%)	27%	21%	-6 p.p.
<b>Total renewable energy consumption (MWh)</b>	<b>116,753</b>	<b>160,907</b>	<b>38%</b>
Share of renewable sources in total energy consumption (%)	38%	50%	12 p.p.
Fuel consumption from renewable sources (MWh)	-	-	-
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	116,482	160,026	37%
Consumption of self-generated non-fuel renewable energy (MWh)	271	881	225%
<b>Total production of energy (MWh)</b>	<b>271</b>	<b>881</b>	<b>225%</b>
Total production of non-renewable energy (MWh)	-	-	-
Total production of renewable energy (MWh)	271	881	225%

**Increased energy efficiency**

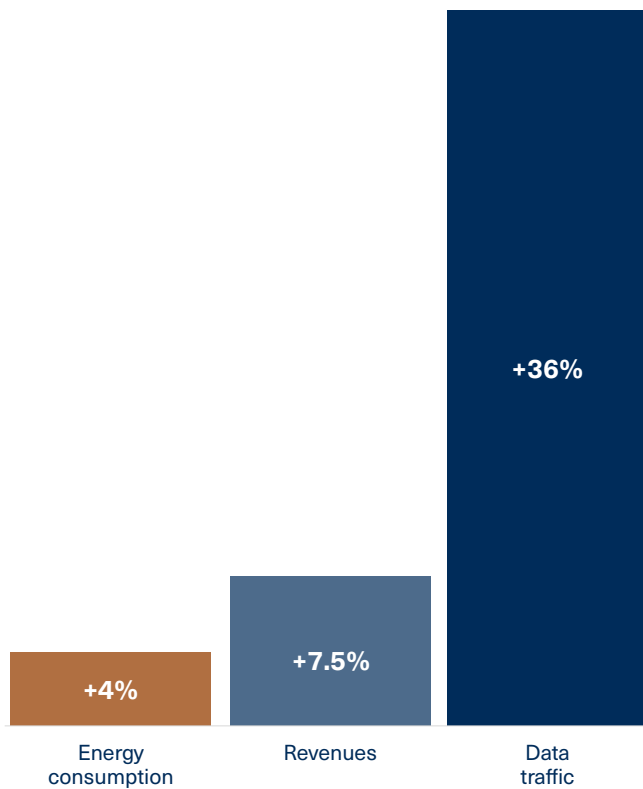
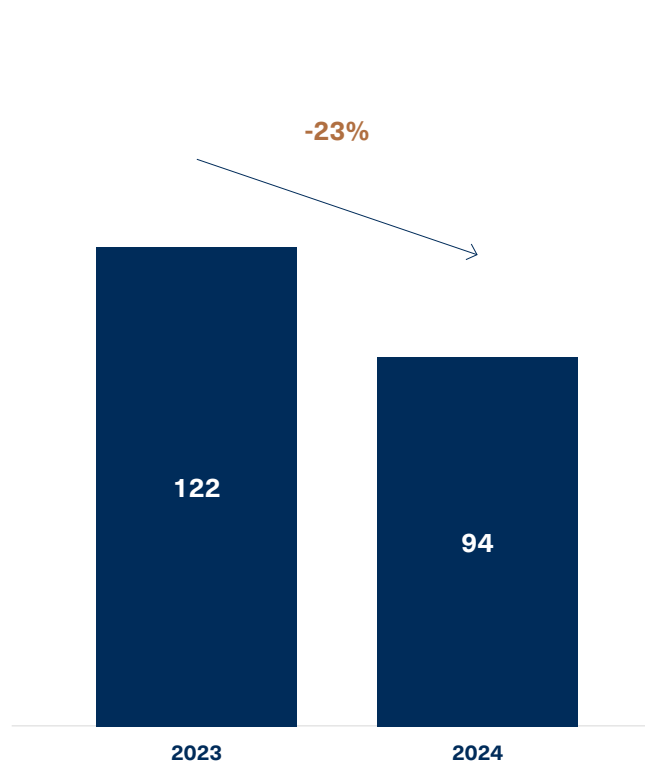
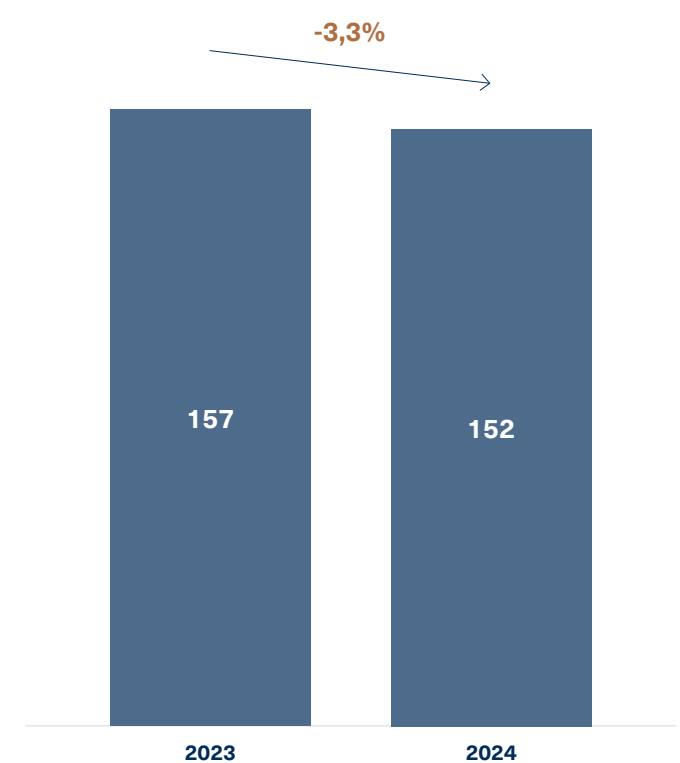
In 2024, revenues grew by 7.5%, while the volume of data transmitted increased by 36%. In comparison, energy consumption increased only by 4%. This resulted in increased energy efficiency.

**Energy intensity per unit of data traffic**

is a key metric, particularly as demand for data continues to rise with the expansion of 5G networks. In 2024, energy intensity reached 93.8 kWh/TB, showing a 23% year-on-year improvement.

**Energy intensity per unit of revenue**

also improved, decreasing by 3.3% to 152 MWh per EUR million of revenue. This reflects the combination of slower growth in energy use and significant revenue growth of 7.5%.

**2024 growth rates****Energy intensity per unit of data traffic in kWh/TB****Energy intensity per unit of revenue in MWh/EURm**

[Content](#)

## Case study



# CETIN Serbia powers its network with 100% renewable electricity

CETIN Serbia recognises the urgency of addressing the climate change and the important role that businesses play in reducing global CO<sub>2</sub> emissions. Since 1 January 2022, the company has powered its entire mobile network with green-certified renewable electricity backed by guarantees of origin. In 2024, this amounted to 65.6 GWh of renewable electricity, enabling the company to avoid 63,437 tCO<sub>2</sub>e in Scope 2 emissions and a further 24,536 tCO<sub>2</sub>e in Scope 3 emissions (Energy supply category).

This transition represents a major milestone in the Group's decarbonisation journey and is a key step towards meeting science-based targets aligned with limiting global warming to 1.5°C. It also demonstrates how embedding ESG principles into core operations can strengthen climate action and prove that growth and environmental responsibility can go hand in hand.

The renewable energy is sourced from the Djerdap I hydroelectric power plant, which provides certified guarantees of origin confirming its renewable nature.



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Responsible, continuous action is essential to achieving global climate goals. By powering our network with 100% renewable electricity, we show that business growth and environmental responsibility can and must go together.

**Vladimir Radojčić**  
CEO



## Gross Scopes 1, 2, 3 and total GHG emissions

E1-6

In 2024, the Group's total GHG emissions decreased by 9%, from 473,451 tCO<sub>2</sub>e in 2023 to 431,866 tCO<sub>2</sub>e. This reduction was mainly due to targeted efforts to lower Scope 2 and Scope 3 emissions.

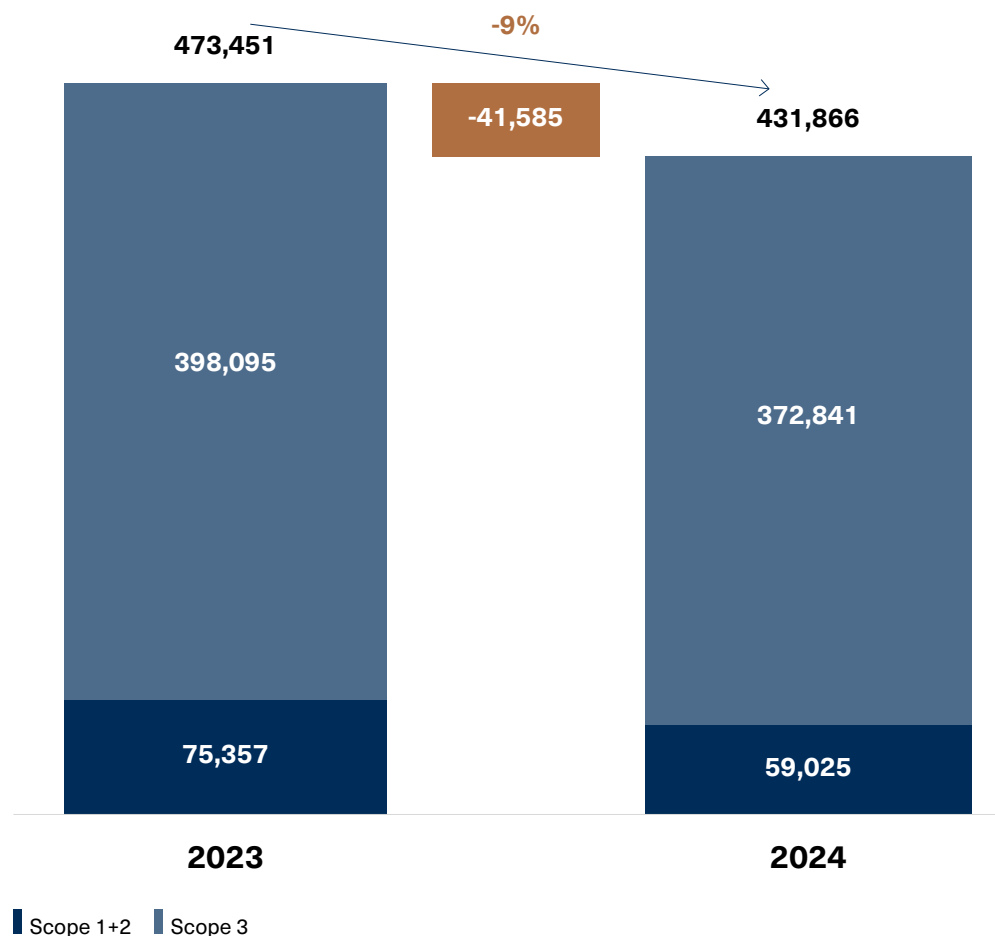
Scope 1 and 2 emissions totalled 59,025 tCO<sub>2</sub>e in 2024 – a 22% decrease from the previous year – representing approximately 70% progress toward the Group's 2030 reduction target. This improvement was largely achieved through increased use of renewable energy, supported by ongoing optimisation of technical facilities and efficiency measures across all CETIN entities.

In 2024, Scope 3 emissions also decreased by more than 6%. This reduction was driven by relatively lower investment compared to previous years in network infrastructure, increased purchases of customer hardware with lower emissions than the industry average, and an improved energy supply mix due to a higher share of renewable electricity. However, these reductions were partially offset by increased emissions from energy-intensive customer devices sold or leased, as well as a rise in purchased services.

Our retail business units accounted for roughly twice the volume of combined Scope 1, 2, and 3 emissions compared to infrastructure providers, although the emission sources differed. In retail, emissions mainly originated from the purchase and use of customer devices and services, while emissions from infrastructure operations were primarily linked to electricity consumption and indirect emissions from network modernisation and 5G rollout, including the procurement of network equipment.

As a result of our efforts, we managed to decrease emissions intensity of our operations to 203 tCO<sub>2</sub>e/EUR million (market-based emissions) from 240 tCO<sub>2</sub>e/EUR in 2023.

The net revenue of EUR 2,123 million used to calculate greenhouse gas intensity refers to continuing operations, as reported in the audited 2024 financial statements.

GHG emissions trend (tCO<sub>2</sub>e)

## GHG emissions trend

	2022 baseline	2023 restated	2024	2024 change yoy
<b>Scope 1 GHG emissions</b>				
Gross Scope 1 greenhouse gas emissions (tCO <sub>2</sub> e) <sup>1</sup>	4,817	4,949	5,254	6%
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	-	-	-	-
<b>Scope 2 GHG emissions</b>				
Gross location-based Scope 2 greenhouse gas emissions (tCO <sub>2</sub> e)	128,798	102,443	106,688	4%
Gross market-based Scope 2 greenhouse gas emissions (tCO <sub>2</sub> e)	78,539	70,408	53,771	-24%
<b>Scope 1 + 2 market-based GHG emissions (tCO<sub>2</sub>e)</b>	<b>83,356</b>	<b>75,357</b>	<b>59,025</b>	<b>-22%</b>
<b>Total Gross indirect (Scope 3) GHG emissions (tCO<sub>2</sub>e)</b>	<b>456,071</b>	<b>398,095</b>	<b>372,841</b>	<b>-6%</b>
1 Purchased goods and services	248,679	203,772	202,303	-1%
2 Capital goods	125,706	123,070	97,238	-21%
3 Fuel and energy-related activities	32,482	29,311	22,679	-23%
4 Upstream transportation and distribution	1,794	1,761	2,174	23%
5 Waste generated in operations	633	869	101	-88%
6 Business traveling	200	450	319	-29%
7 Employee commuting	3,894	3,948	4,469	13%
8 Upstream leased assets	323	276	608	120%
9 Downstream transportation	-	-	-	-
10 Processing of sold products	-	-	-	-
11 Use of sold products	39,359	29,732	32,070	8%
12 End-of-life treatment of sold products	58	80	121	50%
13 Downstream leased assets	2,189	4,184	10,735	157%
14 Franchises	752	641	23	-96%
15 Investments	-	-	-	-
Total location-based GHG emissions (tCO <sub>2</sub> e)	589,686	505,487	484,764	-4%
<b>Total market-based GHG emissions (tCO<sub>2</sub>e)</b>	<b>539,427</b>	<b>473,451</b>	<b>431,866</b>	<b>-9%</b>

<sup>1</sup> In 2024, the Group produced 288 tCO<sub>2</sub>e of biogenic emissions from the combustion of biomass.

<sup>2</sup> In 2024, the Group did not produce biogenic emissions of CO<sub>2</sub> from the combustion or bio-degradation of biomass.

<sup>3</sup> In 2024, the Group produced 4 tCO<sub>2</sub>e of biogenic emissions from the combustion of biomass.

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### GHG emissions targets

	2022 baseline	2030 target	Change to baseline
Scope 1 + 2 market-based GHG emissions (tCO <sub>2</sub> e)	83,356	48,346	-42%
Gross indirect (Scope 3) GHG emissions (tCO <sub>2</sub> e)	456,071	372,759	-18%

Regarding the calculation of Scope 2 emissions, we used the following contractual instruments in 2024:

### Contractual instruments

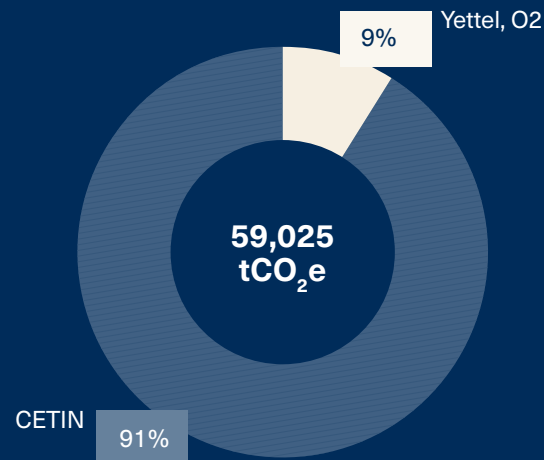
	Share of purchased electricity, heat, steam and cooling
<b>Contractual instruments used for the sale and purchase of energy bundled with attributes about the energy generation</b>	<b>37%</b>
Power purchase agreements (PPA)	24%
Bundled GOs Serbia	13%
<b>Contractual instruments used for the sale and purchase of energy for unbundled energy attribute claims</b>	<b>11%</b>
Unbundled GOs Serbia	9.4%
Unbundled GOs Slovakia	1.6%

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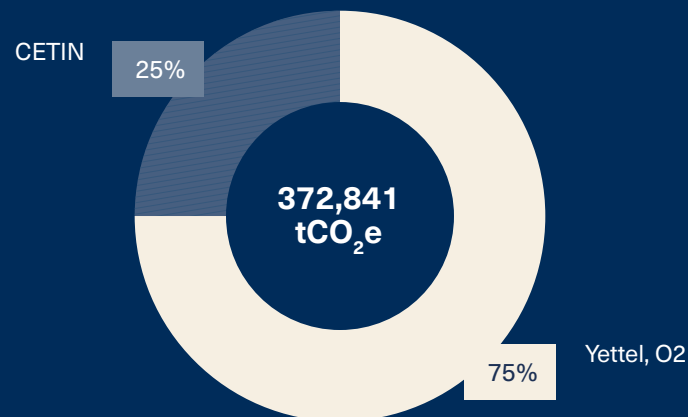
## Key drivers (in thousand tonnes of tCO<sub>2</sub>e)



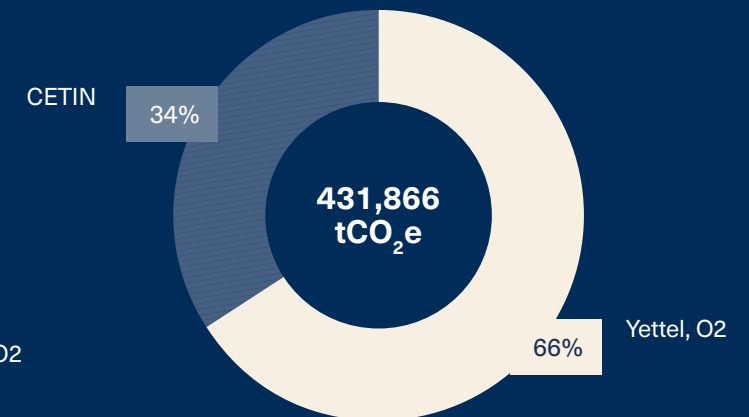
### Direct emissions Scope 1+2



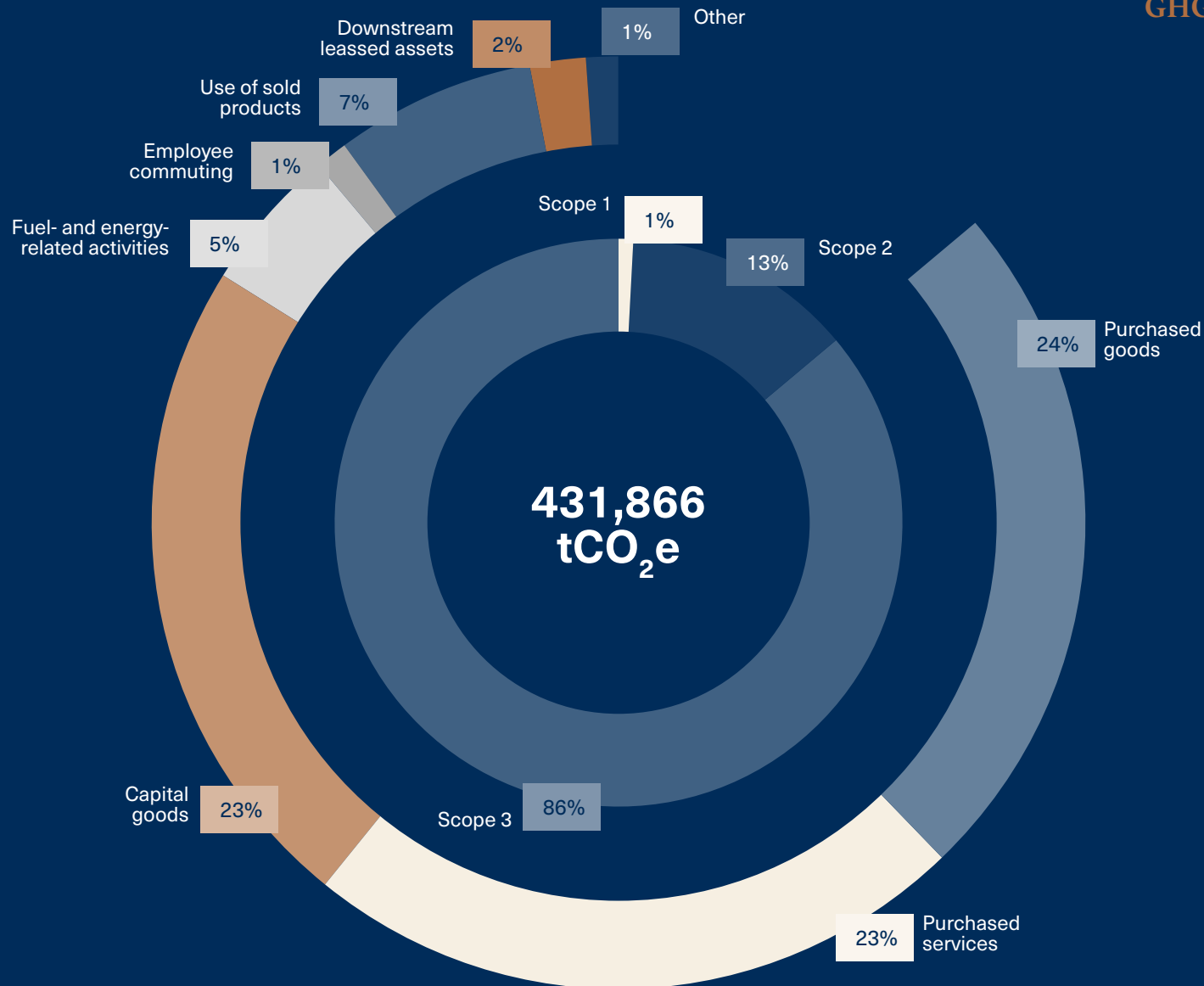
### Indirect emissions Scope 3



### Total emissions Scope 1+2+3



## GHG emissions inventory





## Accounting policies

In calculating emissions, we have followed the GHG Protocol (source: <https://ghgprotocol.org/standards-guidance>), a globally recognised standard for measuring and managing greenhouse gas emissions. Our GHG emissions are reported in accordance with both the GHG Protocol Corporate Standard and the GHG Protocol Corporate Value Chain (Scope 3) Standard, ensuring comprehensive coverage of direct, indirect, and value chain emissions.

### Scope 1 – Direct emissions

Emissions that are under our direct control, including:

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

### Scope 2 – Emissions from purchased energy

Indirect emissions from the generation of purchased electricity, steam and heating used by the Group's networks, technology centres, offices, and retail stores.

We calculate these emissions using two approaches, in line with the GHG Protocol:

- **Location-based:** Reflects the average emissions from the national grid mix. We use kWh-to-CO<sub>2</sub>e conversion factors provided by the Association of Issuing Bodies (AIB), Production mix.
- **Market-based:** Reflects emissions based on the use of green energy by the Group. For this, we use the conversion factors from the Association of Issuing Bodies (AIB), Residual Mixes.

Scope 2 emissions also include CETIN infrastructure operated on third-party premises (referred to as “passive sharing”). They exclude emissions from premises rented by CETIN to other operators, where those operators run their own equipment and are billed separately for electricity use.

Emission factors are based on 2023 data, the most recent available at the time of reporting.

### Scope 3 – Indirect emissions

These emissions occur outside our direct control but can be influenced through our operations. They are categorised into upstream and downstream emissions:

#### Upstream emissions

Indirect emissions from value chain activities related to purchased goods and services:

#### *Goods and services*

Emissions from the production of purchased or acquired products (primarily devices) and services from third-party suppliers, covering all upstream emissions (i.e., cradle-to-gate).

Calculations are primarily based on spend-based Exiobase emission factors, supplemented by actual emissions declared by suppliers/manufacturers when available. These cover the full purchase volume for each subsidiary, differentiated by sector of purchase. Calculations include operational expenditure recorded in the year purchases were fulfilled. Emission factors use a 2021 base year and are inflation-adjusted using World Bank data.

#### *Capital goods*

Emissions from capital goods acquired from third-party suppliers, mainly IT and network equipment, construction works, and materials.

Calculations follow the same methodology as above, applying spend-based Exiobase emission factors or supplier-declared emissions where available. Inflation-adjusted to reflect a 2021 base year.

#### *Energy supply*

Emissions from extraction, production, and transportation of fuels procured by e& PPF Telecom Group subsidiaries not accounted for in Scope 1 or 2, including upstream emissions for refrigerants. Transmission and distribution losses from Scope 2 electricity purchases are also included.

Calculations apply IEA proportional rates and AIB residual mix factors for 2023, or renewable-specific emission factors where applicable. UK.gov GHG Reporting Factors v20243 are used for purchased fuels, refrigerants, heat, and steam.

#### *Upstream transport*

Emissions from goods transportation before arrival at the Group's facilities or purchased transportation services.

Where available, data is calculated from customer invoices using spend-based Exiobase emission factors or supplier-specific data. Otherwise, emissions are included under Goods & Services or Capital Goods using the same methodology.

#### *Waste*

Emissions from the disposal and processing of operational waste.

Calculated using UK.gov GHG Reporting Factors 2021 and 2024, applied to reported physical waste volumes.

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### ***Business travel***

Emissions from employee travel for business purposes.

Based on total business travel expenditure using Exiobase spend-based emission factors. Where data is available, travel distances and hotel stays are included using UK.gov GHG Reporting Factors 2024 and 2020-2021.

### ***Commuting***

Emissions from employees commuting in non-company vehicles.

Calculated using the number of commuting days, European average statistics, and UK.gov GHG Reporting Factors (including remote working assumptions).

### ***Leased assets (Lessee)***

Emissions from operating leased assets.

Calculations apply AIB production mix factors to electricity consumption by leased assets or within active network sharing. Emissions from leased vehicle fuel use are reported under Scope 1. UK.gov GHG Reporting Factors 2024 are used for leases involving fuel combustion.

### ***Downstream emissions***

Indirect emissions related to the use and disposal of goods and services sold.

#### ***Use of products***

Emissions from energy use during the lifetime of sold products.

Calculations are based on emissions declared by suppliers or manufacturers when available, or average lifetime consumption assumptions, multiplied by total sales volumes and AIB production mix factors. Network usage by customers is covered under Scope 1 and 2.

#### ***End-of-life treatment***

Emissions from product disposal.

Calculated using emissions declared by suppliers or manufacturers when available or Ecoinvent emissions factors. Applied to quantities of sold products as in the Use of Sold Products category, using average product weights.

Assumes all devices are recycled, consistent with disposal tax requirements in each operating country.

### ***Leased assets (Lessor)***

Emissions from assets owned by the Group and leased to customers, including commercial data centre services, and leased IPTV/internet routers.

Electricity consumption is multiplied by AIB production mix factors. Electricity that is re-invoiced is excluded. This applies to Yettel Bulgaria, Yettel Hungary and Yettel Serbia.

### ***Franchises***

Emissions from franchise activities. UK.gov GHG Reporting Factors are used for fuel, and AIB production mix factors for known electricity consumption by franchise stores.

Emission factor references and sources

Publisher	Publication version	Publication date	URL
Exiobase	3.8.2	21.10.2021	<a href="#">link</a>
UK.gov	1.0	28.05.2020	<a href="#">link</a>
UK.gov	1.0	15.05.2023	<a href="#">link</a>
UK.gov	1.1	6.07.2024	<a href="#">link</a>
Library of emission factors for general use in EnviTrail and other companies	None		
UK.gov	3.0	22.10.2021	<a href="#">link</a>
Ecoinvent	3.10	12.03.2024	<a href="#">link</a>
Association of Issuing Bodies	1.0	26.05.2023	<a href="#">link</a>
Library of emission factors for specific use in PPF	None		

For each activity, the most relevant and localised emission factor was selected based on locality, relevance, availability, and consistency across the inventory. A full list of emission factor sources is included in the table below.

Each emission factor used is valid for a time period overlapping or partially overlapping the reporting period of the activity. When an activity spans more than one factor's validity period, the median date of the activity period is used to determine the applicable factor (e.g., for an activity from August 2021 to July 2022, the median would be January 29, 2022).

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

In 2024, the Group refined its GHG emissions calculations for the 2023 and 2022 periods. The demerger of the Czech subsidiaries CETIN and O2 Czech Republic in October 2024 triggered a revision of the operational boundaries of our GHG inventory. The Group also implemented several methodological improvements based on a detailed analysis of data inputs, which led to the reclassification of certain emission categories for greater accuracy, changes to multiple multiplication and emission factors, and the removal of high-value cost items with negligible associated emissions.

Learnings from the 2024 calculations enabled us to identify and correct various imperfections in previous years' inventories. This prompted a restatement under the GHG Protocol, as the Group's restatement threshold is any change exceeding 5% of total GHG emissions.

For spend-based emissions from purchased goods and services and capital goods, we replaced industry-level Exiobase emission factors with product-level factors, thereby increasing the accuracy of calculated emissions. Improvements in the attribution of accounting inputs to relevant Exiobase emission categories in 2024 were also applied retrospectively to the 2023 and 2022 inventory calculations.

One of the most significant methodological changes in 2024 was the exclusion of interconnect and roaming charges from our GHG accounting. While these services have high monetary values, our detailed analysis concluded that they have negligible emissions from a spend-based perspective. Consequently, they were removed from our inventory.

Additional refinements to the 2023 and 2022 calculations included:

- Reclassifying certain products leased to customers as “downstream leased assets” in Yettel entities.
- Correcting the purchased services value input for Yettel Hungary.
- Applying the most recent residual and production mix emission factors released by AIB to all applicable 2023 inventory categories.
- Updating and correcting average electricity consumption data for products sold or rented to customers.
- Correcting end-of-life emissions for sold products without manufacturer-declared emissions.

To ensure comparability of our 2024 inventory with the 2023 data and in light of these methodological changes and improvements we recalculated the 2023 GHG inventory, which we are restating in this Sustainability Report in accordance with GHG Protocol requirements.

# EU Taxonomy

In response to evolving EU requirements on sustainability and business transparency, e& PPF Telecom Group conducted its first assessment of economic activities under Regulation (EU) 2020/852 – commonly referred to as the EU Taxonomy. This regulation serves as a key tool for classifying environmentally sustainable activities and aims to support the redirection of investments toward a green, circular, and climate-neutral economy.

The assessment covered eight Group entities operating in Bulgaria, Hungary, Serbia, and Slovakia, enabling a comprehensive evaluation of activity eligibility and potential contributions to the EU's environmental objectives. Although the Group is not yet formally required to report under the EU Taxonomy, it has opted to undertake and disclose this assessment voluntarily.

Given the Group's broad involvement in telecommunications services, including the construction, maintenance, and innovation of telecommunications infrastructure, not all of its activities are currently covered by the EU Taxonomy. As the taxonomy does not yet fully encompass the telecommunications sector, eligible activities are being gradually introduced. The Group continues to monitor regulatory developments closely and is actively exploring opportunities to enhance sustainability across its economic activities, not only from an environmental standpoint but also with respect to human rights.

The results provide an overview of the proportion of eligible turnover and capital expenditures (CAPEX), accompanied by the applicable accounting policies and contextual information to support reader understanding. Operating expenditures (OPEX) have not been disclosed for the current reporting year, due to the ongoing development of appropriate data collection systems and anticipated changes related to the forthcoming Omnibus simplification package.

Because the Group is currently outside the scope of mandatory EU Taxonomy reporting and the financial contribution of eligible activities is relatively minor within the context of the telecommunications industry, we have chosen not to present eligible activities in a tabular format.

## Mapping of relevant eligible activities

The Group conducted a comprehensive analysis of its economic activities to identify those eligible under the EU Taxonomy. This assessment was based on the Delegated Act on Climate (EU Commission Regulation 2021/2139), the Supplementary Delegated Act on Climate (EU Commission Regulation 2022/1214), the Delegated Act on Environment (EU Commission Regulation 2023/2486), and the amendments to the Delegated Act on Climate (EU Commission Regulation 2023/2485).

As part of this process, a total of 18 economic activities relevant to revenue, CAPEX, and OPEX were identified and fully assessed. However, due to the limitations described earlier, OPEX is not disclosed in this reporting year. The analysis determined which activities were eligible to contribute to the EU Taxonomy's environmental objectives, specifically in the areas of climate change mitigation (CCM), climate change adaptation (CCA), and the transition to a circular economy (CE). Where multiple environmental objectives applied to a single activity, priority was given to climate change mitigation, due to the opportunities for improving energy efficiency and decarbonisation.

Additionally, taxonomy-eligible activities that did not meet the established materiality threshold of 2% when financial allocations were made to revenue or CAPEX were grouped under the category 'Other' in the assessment. Table 1 presents the list of identified eligible taxonomy activities, along with their corresponding descriptions and codes.

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Activity code	Activity definition
<b>Activities with a substantial contribution to climate change mitigation (CCM under the EU Taxonomy)</b>	
CCM_6_3	Urban and suburban transport, road passenger transport
CCM_6_5	Transport by motorbikes, passenger cars and light commercial vehicles
CCM_7_2	Renovation of existing buildings
CCM_7_3	Installation, maintenance and repair of energy efficient equipment
CCM_7_4	Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)
CCM_7_5	Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings
CCM_7_6	Installation, maintenance and repair of renewable energy technologies
CCM_7_7	Acquisition and ownership of buildings
CCM_8_1	Data processing, hosting and related activities
CCM_8_2	Data-driven solutions for GHG emissions reductions
<b>Activities with a substantial contribution to climate change adaptation (CCA under the EU Taxonomy)</b>	
CCA_8_2	Computer programming, consultancy and related activities
CCA_8_3	Programming and broadcasting activities
<b>Activities with a substantial contribution to the transition to a circular economy (CE under the EU Taxonomy)</b>	
CE_2_3	Collection and transport of non-hazardous and hazardous waste
CE_4_1	Provision of IT/OT data-driven solutions for leakage reduction
CE_5_1	Repair, refurbishment and remanufacturing
CE_5_2	Sale of spare parts
CE_5_4	Sale of second-hand goods
CE_5_5	Product-as-a-service and other circular use and result-oriented service models



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## Alignment

The alignment process refers to meeting the EU Taxonomy's technical screening criteria: substantial contribution, do no significant harm (DNSH), and minimum safeguards. An activity is considered aligned and therefore environmentally sustainable, if it meets all three criteria.

Due to the forthcoming Omnibus package, the Group has decided to postpone the full alignment assessment. However, it is actively familiarising itself with these criteria and plans to conduct the alignment evaluation in the coming years, thereby supporting its broader sustainability journey.

### Accounting policies for key performance indicators (KPIs) under the Taxonomy

The EU Taxonomy regulation applies to activities undertaken by e& PPF Telecom Group entities within the Group's scope of consolidation. For the purpose of calculating taxonomy-related KPIs, data was sourced directly from local and/or centralised databases across the Group's business units.

The KPIs were calculated in accordance with the Delegated Act on disclosure (EU Commission Regulation 2021/4987), Annex I, and the relevant guidance issued by the European Commission.

To ensure consistency and accuracy, the Group took rigorous steps to avoid double counting. This was achieved by:

- Reconciling financial accounting data to reflect eliminations and consolidation adjustments,
- Using consistent data sources across entities,
- Ensuring that the same item was not reported under more than one KPI, or counted twice within a single KPI, and
- Verifying the completeness and reliability of the underlying data.

### Revenue

The share of taxonomy-eligible activities in the Group's total consolidated turnover was calculated as the ratio of revenue from products and services associated with taxonomy-eligible economic activities (numerator) to the Group's total turnover (denominator) for the reporting period from 1 January 2024 to 31 December 2024. The denominator corresponds to the Group's consolidated revenue for 2024, which amounted to EUR 2.69 billion. Revenues have been classified according to their nomenclature and codes in the tables under the following categories:

- A.1. Taxonomy-eligible and Taxonomy-aligned activities (0 euros): No activities were identified as aligned in 2024.
- A.2. Taxonomy-eligible but not Taxonomy-aligned activities (37.47 million euros/1.4% of total revenue) which did not surpass the defined materiality threshold of 2%:
  - CCM\_7\_7 Acquisition and ownership of buildings: rental and use of office, shop and technical spaces including administrative premises;
  - CCM\_8\_1 Data processing, hosting and related activities: provision of cloud services, data centre housing, hosting and backup solutions for business customers and users;
  - CCM\_8\_2 Data-driven solutions for GHG emissions reductions: implementation of data-driven solutions aimed at reducing GHG emissions, such as smart monitoring, smart fleet management and vehicle tracking;
  - CCA\_8\_2 Computer programming, consultancy and related activities: provision of digital and consultancy services including software development and digital office tools;
  - CCA\_8\_3 Programming and broadcasting activities: internet-based and digital television services, including the right to distribute TV channel content, streaming platforms, and bundled digital entertainment packages;
  - CE\_2\_3 Collection and transport of non-hazardous and hazardous waste: collection and transport of non-hazardous and hazardous e-waste in cooperation with external partners;
  - CE\_5\_1 Repair, refurbishment and remanufacturing: repair of electronic devices;
  - CE\_5\_2 Sale of spare parts: sale of spare parts including scrap materials and batteries;
  - CE\_5\_4 Sale of second-hand goods: sale of refurbished phones, laptops, IT and network equipment, and office furniture;
  - CE\_5\_5 Product-as-a-service and other circular use and result-oriented service models: providing customer equipment including set-top boxes, routers, and SD-WAN devices through rental schemes, thereby enabling circularity by promoting reuse and extending product lifetimes.

- B. Taxonomy-non-eligible activities (2,66 billion euros): The Group's core activities, which include mainly mobile telecommunications services, fixed-line services, and broadband Internet. These and other minor services currently fall outside the scope of the EU Taxonomy.

### CAPEX

The Taxonomy-eligible CAPEX indicator is defined as the ratio of taxonomy-eligible investments (numerator) to total capital expenditures (CAPEX) (denominator).

The total capital expenditures (denominator) include additions to property, plant, and equipment and intangible assets during the reporting period, before depreciation, amortization, or revaluation. In line with the broader definition provided in the Taxonomy Regulation, the denominator also includes additions of right-of-use assets recognised in accordance with IFRS 16, as well as additions to property, plant and equipment, intangible assets, and right-of-use assets arising from business combinations. This scope corresponds to the total CAPEX reported in the company's financial statements.

The numerator comprises capital expenditures related to economic activities that are eligible under the EU Taxonomy. Based on an internal analysis of investment items, these expenditures were classified under specific economic activities according to the nomenclature and codes set out in the annex to the Taxonomy Regulation.

Capital expenditure items have been categorised according to their nomenclature and coding in the relevant taxonomy tables, under the following activity categories:

- A.1. Taxonomy-eligible and Taxonomy-aligned activities (0 euros): No activities were identified as aligned in 2024.
- A.2. Taxonomy-eligible but not Taxonomy-aligned activities (62,58 million euros/27,6% of the total capex):
  - CCM\_7\_7 Acquisition and ownership of buildings: rental and acquisition of new shops and offices;
  - CCM\_8\_1 Data processing, hosting and related activities: provision of cloud services, data centre infrastructure and hosting solutions;
  - CCA\_8\_2 Computer programming, consultancy and related activities: investment in internal development programming through external experts, Digital Office;
  - CE\_5\_5 Product-as-a-service and other circular use and result-oriented service models: rental of equipment to customers such as routers, set-top boxes, and SD-WAN solutions;
  - **Other:**
  - CCM\_6\_3 Urban and suburban transport, road passenger transport: leasing of vehicles;
  - CCM\_6\_5 Transport by motorbikes, passenger cars and light commercial vehicles: investment in vehicle fleets used for business

operations and services, including the purchase and leasing of passenger cars and light commercial vehicles;

- CCM\_7\_2 Renovation of existing buildings: major renovation projects of retail shops and office spaces to increase its energy efficiency;
- CCM\_7\_3 Installation, maintenance and repair of energy efficient equipment: LED lighting, HVAC systems, solar-powered heating, refrigeration units, and free cooling systems;
- CCM\_7\_4 Installation, maintenance and repair of charging stations for electric vehicles in buildings: installation of charging stations for electric vehicles in company buildings;
- CCM\_7\_5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings: installation of smart meters and other devices for monitoring and improving building energy performance;
- CCM\_7\_6 Installation, maintenance and repair of renewable energy technologies: installation of the solar panels;
- CCA\_8\_3 Programming and broadcasting activities: broadcasting and media services such as internet-based TV platforms;
- CE\_2\_3 Collection and transport of non-hazardous and hazardous waste: investments in the

collection, transport, and recycling programmes for e-waste as well as hazardous and non-hazardous waste;

- CE\_4\_1 Provision of IT/OT data-driven solutions: investment in systems for IT infrastructure management and monitoring;
- CE\_5\_1 Repair, refurbishment and remanufacturing: repair of electronic devices conducted in-house or through subcontractors.
- B. Taxonomy-non-eligible activities (164,58 million euros): The Group's CAPEX related to core activities, which include mainly investments into mobile telecommunications services, fixed-line services, and broadband Internet. These and other minor services currently fall outside the scope of the EU Taxonomy.

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Summary of identified eligible taxonomy-aligned activities which, however, did not exceed (in total) the 2% materiality threshold in financial allocations:

- CCM\_6\_3 Urban and suburban transport, road passenger transport;
- CCM\_6\_5 Transport by motorbikes, passenger cars and light commercial vehicles;
- CCM\_7\_2 Renovation of existing buildings;
- CCM\_7\_3 Installation, maintenance and repair of energy efficient equipment;
- CCM\_7\_4 Installation, maintenance and repair of charging stations for electric vehicles in buildings;
- CCM\_7\_5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings;
- CCM\_7\_6 Installation, maintenance and repair of renewable energy technologies;
- CCA\_8\_3 Programming and broadcasting activities;
- CE\_2\_3 Collection and transport of non-hazardous and hazardous waste;
- CE\_4\_1 Provision of IT/OT data-driven solutions;
- CE\_5\_1 Repair, refurbishment and remanufacturing.

# E5 Resource use and circular economy

Impact, risk and opportunities

SBM-3

While digital communication technologies are generally more environmentally efficient than legacy systems, rapid technological advancement and shifting consumer habits have shortened the life cycles of mobile phones and other electronics. This accelerated turnover, coupled with rising data traffic and the constant need to upgrade infrastructure, is driving increased demand for raw materials like copper, lithium, cobalt, and rare earth elements.

These finite resources are often extracted from environmentally sensitive regions, where mining can lead to deforestation, water pollution, and biodiversity loss. The production of devices, network equipment, and packaging depends heavily on these materials, further amplifying their environmental impact.

## E5 Resource use and circular economy

Impact description	Value chain	Actual/Potential
<div><div>–</div><div><b>Waste</b> The construction, renovation, and maintenance of networks and data centres generate various forms of waste, including e-waste*. In retail operations, additional waste is produced from packaging materials such as plastic and paper. Improper disposal of these materials can lead to environmental contamination. Furthermore, the use of paper in operations, packaging, or other applications may be linked to deforestation.</div></div>	Own operations	Potential
<div><div>–</div><div><b>Waste</b> When customers dispose of used mobile phones and other electronic devices, they generate e-waste. Improper disposal of this waste can lead to environmental contamination.</div></div>	Downstream	Potential
<div><div>–</div><div><b>Resource inflows, including resource use</b> The production of electronic devices and equipment used or sold by the Group requires the extraction of rare metals and minerals, contributing to the depletion of the Earth's finite resources.</div></div>	Upstream	Potential

Impact materiality 

+

 Positive

–

 Negative

\* e-waste, including network equipment, mobile devices, customer premises equipment (CPE), and other electronic waste generated by operations

Across its operations, from network engineering to retail, the Group generates various forms of waste, including decommissioned equipment, packaging, and other operational byproducts. The growing demand for mobile devices also contributes to the rise in electronic waste (e-waste), especially when devices are not properly disposed of. Mobile phones discarded in landfills can release hazardous substances such as lead, mercury, and cadmium, which may contaminate soil and groundwater, posing risks to both ecosystems and public health.

Moreover, failing to recover valuable materials such as gold, cobalt, and rare earth elements from unused devices not only depletes resources but also increases the environmental burden of mining and manufacturing.

No own operations were excluded from the DMA, and all material impacts identified under the ESRS E5 standard on resource use and circular economy are covered in this chapter. A summary of the material impacts is provided in the table on [page 39](#), with further details available in the [Impact, risk and opportunity management section](#).

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**In line with our commitment to the circular economy, we also promote the extension of device lifespans through repair and refurbishment, aiming to reduce e-waste generation and help reduce the demand for raw material extraction.**



Yettel Bulgaria's public awareness campaign promoting the circular economy



[Content](#)

## Case study



# Yettel Hungary promotes sustainability with refurbished smartphone sales

Extending product lifecycles and promoting reuse are essential principles of the circular economy. With increasing consumer interest in affordable and environmentally responsible alternatives to new devices, Yettel Hungary supports more sustainable consumption through its refurbished smartphone sales programme.

In April 2024, Yettel Hungary launched a pilot project offering premium, A+ rated refurbished iPhones in partnership with Recommerce, a certified provider of refurbished devices. Each phone undergoes a rigorous 56-point quality inspection, including checks of the display, battery, and overall functionality, and comes with a two-year warranty and replacement guarantee. The devices are sold both online and in retail stores, offering customers savings of up to HUF 100,000 (approximately EUR 250) compared to new models.

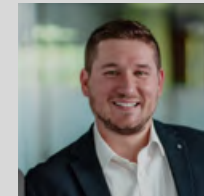


The initiative builds on previous take-back campaigns that had already collected over 10 tonnes of devices. In 2024, the refurbished phone programme contributed to reducing e-waste and the emissions associated with new device manufacturing, while also providing cost-effective options for customers. Half of all refurbished sales took place online, with Pro and Pro Max models proving most popular.

Building consumer trust in refurbished products was an important consideration. By offering only high-quality devices with a warranty and replacement guarantee, Yettel Hungary successfully addressed potential concerns. Encouraged by the pilot's success, the company plans to expand its refurbished product offering in the coming year.

← Accompanying commercial campaign of Yettel Hungary

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The secondary market for mobile phones is growing rapidly as consumers seek more affordable and sustainable alternatives. Refurbished handsets not only reduce environmental impact by extending device lifespans, but they also open up new commercial opportunities – offering value-conscious customers high-quality phones at lower prices.

**Gábor Szabó**  
Head of Terminal Management Office



Policies adopted to manage material impacts (general overview)	S4-1	General processes for engaging with employees and customers	SMB-2
<p>The Group's environmental and waste management policies are decentralised to reflect the varying operational contexts and regulatory requirements across our business units. These policies ensure compliance with legal obligations concerning waste management, packaging, and end-of-life product disposal. They set out clear internal procedures for assigning responsibilities, managing specific waste streams, and handling packaging materials.</p>	<p>Standardised protocols for sorting, collecting, eliminating, and transporting waste are implemented across all sites. All employees are expected to support waste reduction initiatives by adhering to proper sorting and collection practices. Compliance with the waste management system is mandatory at all company locations.</p> <p>In line with our commitment to the circular economy, we also promote the extension of device lifespans through repair and refurbishment, aiming to reduce e-waste generation and help reduce the demand for raw material extraction.</p>	<p><b>Awareness campaigns</b> Customers are informed about the environmental impact of e-waste and the benefits of recycling. Key messages are shared through social media, product packaging, and in-store displays to maximise visibility and engagement.</p> <p><b>Incentive programmes</b> Buy-back programmes and discounts for recycling any device are offered to encourage customers to return their old devices. In collaboration with recycling partners, we offer convenient drop-off to make participation easier.</p>	<p><b>School and community engagement</b> Educational programmes on electronics and sustainability are delivered in schools. We also organise community recycling drives and awareness events to foster local participation and environmental responsibility.</p> <p><b>Promoting a paperless approach</b> Our e-billing system encourages customers and business partners to move from paper to digital billing. Retail customers can receive and store their bills through a dedicated app or by email, helping to significantly reduce paper use and waste.</p>

# E5 Resource inflows and waste

Material impacts, risks and opportunities management

SBM-3

The Group's operations and office activities generate various types of waste, including e-waste, residual waste, paper, cardboard, and plastic packaging. Retail stores, which sell electronic devices directly to consumers, also contribute to this footprint. While customers may choose to recycle, resell, store, or discard their used devices, improper disposal significantly contributes to the global e-waste stream, one of the fastest-growing waste categories worldwide. E-waste contains hazardous substances that pose environmental and health risks if not properly managed, and it represents a loss of valuable, recoverable materials. In addition, the use of packaging, much of it paper-based, adds further environmental impact. Together, these factors underscore the importance of addressing resource use and waste across our entire value chain.

Policies, Actions and resources, Metrics and targets

MDR-P/ E5-1    MDR-A/E5-4  
MDR-T/E5-5

The Group recognises its responsibility to limit environmental impacts, particularly by managing waste from electrical and electronic equipment and curbing the use of raw materials through more sustainable practices. Our approach prioritises minimising waste generation and extending the life of the equipment we use by promoting reuse and, where reuse is not possible, recycling. This helps mitigate resource depletion, reduce energy consumption, and lower greenhouse gas emissions associated with raw material extraction and the production of electronic equipment.

Our waste management plan applies across all operational areas, with a particular focus on reducing e-waste. We ensure full compliance with relevant regulations, especially at the disposal stage, and partner with accredited contractors to support the reuse and recycling of e-waste.

**Progress against targets**  
Network operators CETIN aim to extend the life cycle of equipment without compromising service quality. When equipment reaches the end of its useful life, components are repurposed as spare parts, while remaining units are either resold or recycled through trusted partners. Most infrastructure-related waste consists of decommissioned network equipment and packaging materials. Hazardous waste, such as lead-acid batteries and backup power systems, is handled with strict controls and full traceability to ensure safe disposal.

Our retail operators, Yettel and O2, manage their own e-waste and actively support customers in addressing this growing challenge. Initiatives include the collection of end-of-life devices and extending their lifespan through repair and refurbishment. In partnership with certified providers, we are rolling out take-back schemes, ensuring that any personal data on returned devices is securely removed before reuse.

Yettel Bulgaria has also introduced the "Smartphone Universe" service package, which promotes longer device use by offering extended warranties, insurance options, diagnostics, and repair services. These efforts help customers adopt more sustainable habits while delivering added value through savings and convenience.

In 2024, PPF Telecom Group generated approximately 1,430 tonnes of waste, with 87% diverted from disposal. However, only 87% was recorded as recycled, largely due to limited data on downstream treatment. A more detailed analysis is planned, including closer cooperation with waste contractors to improve traceability.

In 2024, of the total waste generated, 978 tonnes were e-waste, mainly resulting from CETIN's 5G network modernisation. Across all retail operators, 131 tonnes of e-waste were prevented from ending up in landfills. CETIN alone diverted 99.9% of its e-waste from landfill, reflecting the Group's broader commitment to circularity and responsible resource use.



[↶ Content](#)

## Key waste management metrics

Tonnes	2023 restated	2024
<b>HAZARDOUS waste diverted from disposal</b>	<b>906</b>	<b>682</b>
Hazardous waste diverted from disposal as a result of preparation for reuse	12	4
Hazardous waste diverted from disposal due to recycling	816	679
Hazardous waste diverted from disposal due to other recovery operations	77	-
<b>OTHER waste diverted from disposal</b>	<b>148</b>	<b>565</b>
Other waste diverted from disposal as a result of preparation for reuse	32	12
Other waste diverted from disposal due to recycling	117	553
Other waste diverted from disposal due to other recovery operations	-	-
<b>HAZARDOUS waste intended for waste treatment</b>	<b>26</b>	<b>-</b>
Hazardous waste intended for incineration	-	-
Hazardous waste intended for landfill	21	-
Hazardous waste intended for treatment by other disposal operations	5	-
<b>OTHER waste intended for waste processing</b>	<b>185</b>	<b>183</b>
Other waste intended for incineration	11	19
Other waste intended for landfill	147	163
Other waste intended for treatment by other disposal operations	27	-
<b>Total waste generated</b>	<b>1,264</b>	<b>1,430</b>
Total hazardous waste generated	931	683
Total non-hazardous waste generated	333	748
<b>Non-recycled waste</b>	<b>210</b>	<b>183</b>

## E-waste management at O2 and Yettel

Tonnes	2023 restated	2024
<b>E-waste collected in our stores</b> Equipment + non-usable batteries and accumulators	27	53
<b>E-waste collected in our offices</b> Includes waste from electrical and electronic equipment, non-usable batteries, and decommissioned IT equipment	10	30
<b>Repaired devices</b>	24	42
<b>Giving a second life to devices</b> Through re-selling of used devices	6	6
<b>Total e-waste diverted from landfill</b>	<b>67</b>	<b>131</b>

2023 figures were restated reflecting discontinued operations in Czechia.

2023 figures were restated reflecting discontinued operations in Czechia.

Where direct data was unavailable, waste treatment distribution was estimated using national statistical averages. Waste generation for retail stores and data centres was approximated using sample data from comparable sites. When data was not available in tonnes, estimates were based on average weights per device type.

## e& PPF Telecom Group circular economy targets

To reflect our evolving business structure and growing environmental ambition, we have reset our targets for the Group's new perimeter, raising the level of ambition to maximise our positive impact across the value chain. Recognising that e-waste is the largest waste stream we generate, we have set voluntary, measurable targets for e& PPF Telecom Group.

These targets are aligned with industry best practices such as those recommended by the GSMA and follow the waste hierarchy: prevention, reduction, reuse, and recycling. They were developed in close collaboration with our business units to ensure both feasibility and meaningful impact.

In addition to setting measurable targets, we are committed to launching supporting programmes by 2030 to help embed circular practices across our operations. Several of these initiatives such as always-on recycling, buy-back schemes, and extended warranty offers are already running in individual entities. Our goal is to expand and harmonise these efforts across the entire Group. Planned initiatives also include participation in GSMA's customer survey in 2026 followed by biannual research cycles, the introduction of refurbished devices, and the establishment of a refurbishment programme for CPE, STB, and routers.

1

**Prioritise the reuse and resale of decommissioned network equipment and other company technologies over recycling, with the goal of avoiding landfill disposal entirely.**

2

**Reach 20% return rate at sale of new mobile phones by 2030.**

3

**Prevent 22,000 kg of e-waste from going to landfill each year through customer-focused initiatives.**

[Content](#)

## Case study

# Yettel Serbia promotes sustainability through device recycling

In 2024, Yettel Serbia marked three years of its device recycling programme, reinforcing its commitment to environmental responsibility and circular economy principles. Device recycling programme is encouraging customers to bring old devices in exchange for savings on the new ones, supporting both waste reduction and customer engagement.

Being the first telecommunications company to introduce green-engagement programmes in Serbia, Yettel team had to navigate local recycling regulations and start partnerships with certified waste operators. Despite these challenges, the initiatives strengthened Yettel's market positioning and sustainability credentials.

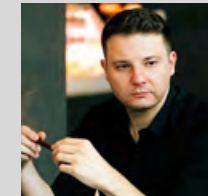
By the end of 2024 the company recycled 1.41 million of electronic devices, equal over 100 tonnes of electronic waste. This is followed by recycling close to 1,700 tonnes of paper and plastics through its Eco Bonus service. Sustainability messaging is integrated into approximately 80% of marketing and commercial campaigns, with 98% of handsets and 20% of wearables sold with a recycling discount.



↑  
Accompanying commercial campaign of Yettel Serbia

**Yettel.**

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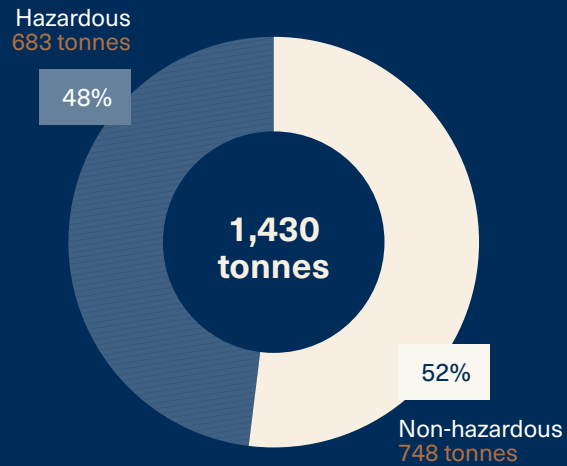


We always believed the best way to drive impact and raise awareness of our green-commercial agenda is by engaging our customers personally. Recycling campaigns, Eco Bonus initiative, and our 100% green network have been the key. With surpassed ambition of recycling one million devices by 2025, we solidified Yettel as Serbia's top destination for recycling and purchasing devices.

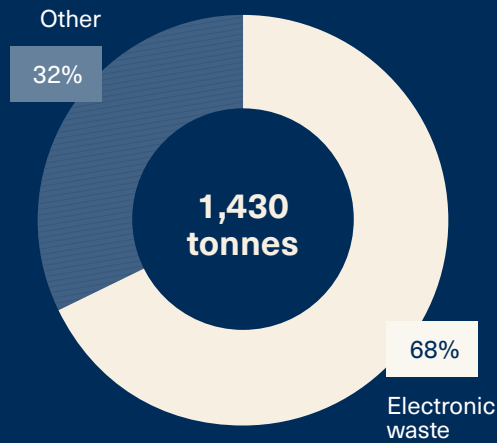
**Dejan Marković**  
Consumer Marketing Manager



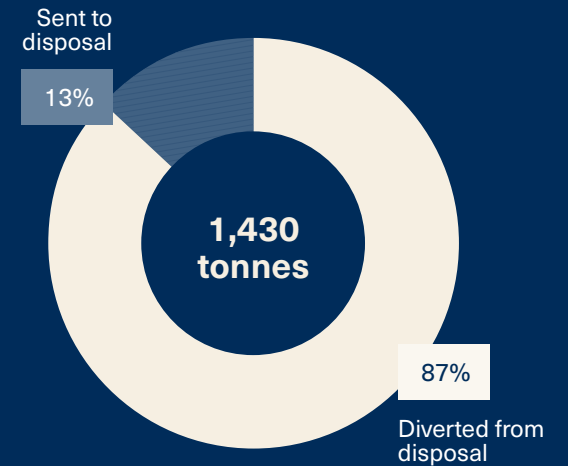
### Total waste in 2024



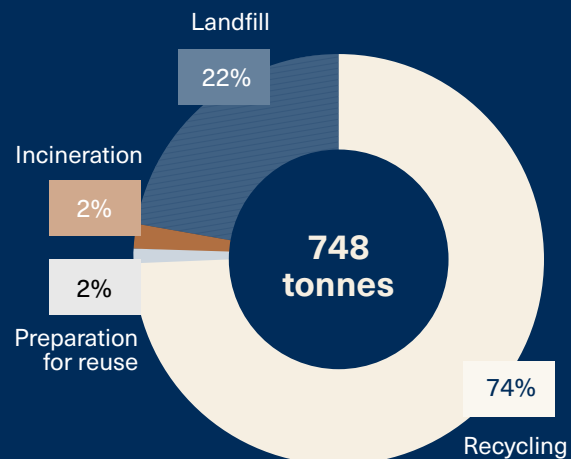
### Types of waste



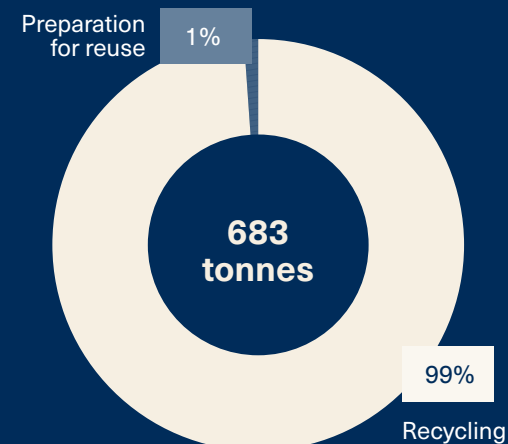
### Types of disposal



### Non-hazardous waste



### Hazardous waste



Chapter

# Social information

# S1 Own workforce

Impact, risk and opportunities	SBM-3	S1-6	S1-10	S1-11
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e& PPF Telecom Group aspires to lead the telecommunications sector across the CEE region. Our workforce comprises 7,097 employees based in the European Union and Serbia — markets supported by robust legislative and regulatory frameworks that safeguard workers' rights. These include comprehensive social security systems offering unemployment benefits, pensions, and healthcare.

Almost 90% of our personnel are permanent employees, reflecting our strategic objective to provide secure and stable employment. Accordingly, all employees receive an adequate wage and are protected by social security systems that mitigate income loss caused by major life events.

## Employee distribution by country (headcount)

	2023 restated	2024
Slovakia	857	913
Hungary	1,893	1,926
Bulgaria	2,423	2,230
Serbia	1,990	2,028

2023 figured were restated reflecting discontinued operations in Czechia



Almost 90% of our personnel are permanent employees, reflecting our strategic objective to provide secure and stable employment.

## Employee distribution by gender (headcount)

	Female 2023 restated	Female 2024	Male 2023 restated	Male 2024	Total 2023 restated	Total 2024
Number of employees	3,338	3,697	3,825	3,400	7,163	7,097
Number of permanent employees	3,308	3,236	2,962	3,053	6,270	6,289
Number of temporary employees	376	463	517	345	893	808
Number of non-guaranteed hours employees	-	-	-	-	-	-
Number of full-time employees	n/a	3,619	n/a	3,369	n/a	6,988

2023 figures were restated reflecting discontinued operations in Czechia

Non-guaranteed hours employees can have permanent or temporary employment contract. The number excludes off-registration employees.

## Turnover rate

	2023 restated	2024
Number of employees who left the undertaking	1,735	1,712
Employee turnover	24%	22%

2023 figures were restated reflecting discontinued operations in Czechia

The countries where the Group operates uphold major human rights agreements, ensuring fundamental civil, political, economic, social, and cultural rights. We always comply with relevant laws and prioritize human rights in all our activities. As a result, we have not identified any significant risk of incidents involving forced, compulsory, or child labour in our operations or countries of operation.

[Content](#)

We recognise that our achievements are closely linked to the success of our employees. That is why we invest in attracting top talent and fostering high levels of engagement, motivation, and job satisfaction. Consequently, we have not identified any material risks or opportunities arising from our impacts and dependencies on our own workforce. And although we are committed to reducing our carbon footprint and mitigating potential risks associated with climate change, we have not identified any material impacts on our own workforce arising from our transition plans to reduce negative environmental impacts.

No operations were excluded from the DMA, and all identified material impacts are included within the scope of disclosure under this chapter (S1). Where material negative impacts affect only specific parties, this is noted in relation to the respective impacts. The impacts identified as material under the ESRS S1 Own Workforce standard are listed in the table below and further detailed in the Impact, risk and opportunity management section, [p.31](#).





## S1 Own workforce

Impact description	Value chain	Actual/Potential
<b>– Working conditions: Working time</b> During peak periods — such as maintenance work or weather-related infrastructure damage — technical employees may face unpredictable demands and uneven workloads. If not properly monitored or compensated, this can negatively impact their quality of life.	Own operations	Potential
<b>– Working conditions: Freedom of association / Collective bargaining</b> The Group does not restrict the formation of unions in the workplace. However, not all operations have active unions or worker representation, which may limit employees' access to information and their ability to participate in decision-making processes that affect their professional lives and the organisation's goals.	Own operations	Potential
<b>+ Working conditions: Work-life balance</b> The Group promotes employee well-being through policies that support flexible working hours and generous time off. These measures aim to create a supportive environment while respecting work-life balance.	Own operations	Actual
<b>– Working conditions: Health and safety</b> Employees and contractors involved in the construction and maintenance of telecommunications infrastructure face a higher risk of injury, which may affect their well-being and productivity. Additionally, call centre and retail employees may experience periods of elevated mental stress, which — if not properly addressed — can adversely impact their health.	Own operations	Potential
<b>– Equal treatment and opportunities for all: Gender equality and equal pay for work of equal value</b> The Group applies a non-discriminatory approach to hiring, promotion, and reward. However, gender disparities may persist in certain roles that are more male-dominated. Inadequate oversight or lack of gender-focused policy optimisation could result in unequal treatment of employees.	Own operations	Potential
<b>+ Equal treatment and opportunities for all: Training and skills development</b> The Group delivers structured programmes and initiatives to strengthen employees' knowledge, skills, and competencies. These efforts support effective job performance and help employees adapt to evolving role requirements or pursue career advancement.	Own operations	Actual
<b>– Equal treatment and opportunities for all: Measures against violence and harassment in the workplace</b> Policies, procedures, and training programmes are in place to prevent workplace violence and harassment, which can lead to psychological harm, human rights violations, and other serious consequences.	Own operations	Potential

Impact materiality **+** Positive **–** Negative

Policies adopted to manage material impacts (general overview)		S1-1	General processes for engaging with own workforce and for raising concerns					
			S1-1	S1-2	S1-3			
<p>The Group's workforce is guided by a comprehensive set of policies designed to prevent risks of harm in the workplace and to promote positive outcomes. These policies include processes and mechanisms to ensure compliance with international standards, such as the UN Guiding Principles on Business and Human Rights. The Group is also a participant in the United Nations Global Compact, the world's largest corporate sustainability initiative. By committing to the Ten Principles of the UN Global Compact, we pledge to uphold fundamental responsibilities in the areas of human rights, labour, the environment, and anti-corruption. We also commit to reporting our ongoing efforts on an annual basis.</p>		<p>As we operate through a holding structure, we complement Group-wide policies with local policies that reflect the inherent differences between our operations and legal frameworks and help address local employee needs. Policies relevant to managing identified material impacts are detailed in the respective sub-chapters of this report.</p> <p>The overarching policy framework is defined by the e&amp; PPF Telecom Group Corporate Compliance Programme and the Code of Ethics, which set high standards for ethics and conduct across the Group. For further details, please refer to chapter G1 Business conduct, <a href="#">p. 116</a>.</p>	<p>Engaging with employees is a priority for the Group and is formally embedded in internal policies. While practices may vary across the Group, there is a consistent emphasis on open communication and employee participation in decision-making processes. In some companies, trade unions or employee councils represent employees' interests, providing a structured channel for expressing views on working conditions. In line with legal requirements, Group companies maintain records of individuals with disabilities or special needs and take their requirements into account in both communication and operational processes.</p> <p>The Group uses a range of communication channels to ensure effective and transparent dialogue with employees. An intranet is accessible to all staff, and quarterly town hall meetings with senior management are held to share updates and provide a forum for feedback.</p> <p>To gain insights into employees' experiences, covering workplace atmosphere, daily work, and relationships with managers, we conduct regular surveys on a monthly to quarterly basis using the LutherOne engagement and productivity platform. Survey results are</p>			<p>jointly monitored by the human resources department and senior managers. If results indicate emerging issues, we develop targeted action plans. This approach allows managers to receive timely feedback on their leadership and stay closely aligned with employee sentiment, contributing to high performance in areas directly related to day-to-day operations and team dynamics. These surveys capture feedback on a wide range of metrics, enabling both external benchmarking and internal progress tracking. They are open to all employees, with anonymous participation and availability in local languages to ensure accessibility.</p> <p>The Group has also established clear reporting mechanisms and dedicated channels that allow all workforce members to raise issues and ensure they are properly addressed. We are committed to fostering an environment where employees feel safe to voice concerns, including those related to potential adverse impacts such as discrimination. For more information, please refer to chapter G1 Business conduct, <a href="#">p. 114</a>.</p>		

# S1 Working conditions: Working time

Material impacts, risks and opportunities management

SBM-3

The telecommunications industry plays a significant role in the modern economy by providing essential communication services, which require continuous network operations.

To minimize service disruptions for our customers, we aim to schedule network maintenance and infrastructure upgrades during off-peak hours. In cases of network outages or other emergencies, engineers may need to work long or irregular shifts to restore services promptly. As a result, employees or contractors in technical roles may be required to work extended or non-standard hours, necessitating round-the-clock staff availability. If not properly monitored and managed, these extended hours could potentially negatively impact employees' health, well-being, and work-life balance.

The DMA did not identify any activity that caused or contributed to a material negative impact on people in our own workforce related to working time. Therefore, no remedial action has been required or taken during the reporting year.

Policies, Actions and resources, Metrics and targets

MDR-P/ S1-1

MDR-A/S1-4

MDR-T/S1-5

The Group actively promotes work-life balance and reinforces social protection for its employees, particularly in the context of long or irregular shifts and the potential risks such patterns may pose to overall well-being. All companies within the Group comply with applicable local legislation, European laws and standards, and collective agreements where these are in place.

The rights of all members of our own workforce are safeguarded through employment contracts, as well as through policies and procedures applicable at their specific work locations. These include clear provisions regarding overtime, flexible working arrangements, and appropriate financial compensation.

We utilize a range of tools to monitor working hours and conduct regular audits to ensure compliance with labour regulations, including limits on weekly hours, mandatory rest breaks, and entitlement to annual leave. All related procedures are conducted transparently and in full compliance with GDPR.

While we have not established specific targets to monitor our progress, our objective remains to consistently comply with both external and internal regulations. In 2024, the Group did not face any litigation or fines related to violations concerning long working hours.

# S1 Working conditions: Freedom of association / Collective bargaining

Material impacts, risks and opportunities management

SBM-3

Labour unions play an important role in protecting employees and their rights. The Group does not prevent the formation of unions within the workplace, however not all Group companies have effective unions or workers' representations in place. Without union representation, employees may face challenges such as lower wages and benefits, job insecurity, poor working conditions, limited voice in addressing grievances, and lack of legal support in workplace disputes, potentially negatively affecting their working conditions and quality of life.

The DMA did not identify any activity that caused or contributed to a material negative impact on people in our own workforce related to freedom of association and collective bargaining. As a result, no remedial action was required or taken during the reporting year.

Policies, Actions and resources, Metrics and targets

MDR-P/ S1-1	MDR-A/S1-4
MDR-T/S1-5	S1-8

Within the Group, unions are actively engaged in Serbian operations, with collective agreements being negotiated triennially. The most recent agreement has been extended until 2025. These collective agreements are integrated into internal HR policies and guidelines, establishing clear expectations for both employers and employees. This framework includes remuneration, which is subject to collective bargaining agreements and detailed in the company's internal directives. In addition to a basic salary, employees may be eligible for incentive remuneration, such as bonuses or commissions, based on specific rules and conditions.

We respect our employees' rights to be members of unions and do not tolerate retribution or hostility towards an employee who chooses this option. We respect the core standards of the International Labour Organization (ILO), especially freedom of association and the right to collective bargaining.

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

While we do not have specific targets established to monitor this topic, in countries without unions or representatives, employees are encouraged to participate in creating a workplace that is fair, safe, and equitable. Routine practices are implemented to collect and act on feedback to ensure employees can support and implement decisions.

## Collective bargaining and social dialogue

Collective Bargaining Coverage		Social dialogue	
Coverage Rate, 2024	Employees EEA	Employees Non-EEA	Workplace representation, EEA only
0-19%	Slovakia, Hungary, Bulgaria		Bulgaria
20-39%			
40-59%			
60-79%			
80-100%	Serbia		Slovakia, Hungary

## S1 Working conditions: Work-life balance

### Material impacts, risks and opportunities management

#### SBM-3

Offering work-life balance benefits is essential for employees for several reasons: it supports mental and emotional well-being by reducing burnout and stress; it promotes physical health through adequate rest and exercise; and it enhances job satisfaction by demonstrating that the employer values personal time. Balanced employees also tend to be more productive and focused, contributing to stronger work relationships and a collaborative workplace culture. Furthermore, allowing time for personal growth through hobbies, education, and family helps employees become well-rounded individuals who contribute meaningfully to the company's goals.

The Group is committed to promoting work-life balance for all employees and strengthening social protection. All subsidiaries within the Group comply with relevant local legislation, European regulations and standards, and applicable collective agreements. This disclosure applies to all members of the workforce who could be significantly affected.

The Group positively impacts its employees by implementing policies that go beyond market standards such as flexible working hours and generous time-off provisions. These measures are designed to enhance employee well-being and foster a supportive work environment that respects the boundaries of work-life balance.





Content

Policies, Actions and resources, Metrics and targets	
MDR-P/ S1-1	MDR-A/S1-4
MDR-T/S1-5	S1-15

The Group places strong emphasis on promoting work-life balance and strengthening social protection for all employees. To support this commitment effectively, localized HR policies titled Supporting Work-Life Balance have been implemented across our operations. These policies address a range of areas, including:



Since 2024, the Group-wide Recharge policy has allowed all employees across the Group to take one month of paid leave for every five years of service.

- Flexible working hours: Where practical, employees can adjust their working hours to better accommodate personal commitments.
- Remote work options: The ability to work from home or other locations helps reduce commuting time and stress, allowing more time for personal activities.
- Paid time off (PTO): Vacation days above legal requirements, personal days, and sick leave ensure employees have adequate time to rest and recover.
- Parental leave: Paid parental leave is available to both mothers and fathers during key family milestones.
- Employee assistance programs (EAPs): These programs provide support for mental health, financial advice, and other personal matters, helping employees manage stress and maintain balance.
- Wellness programs: Initiatives such as gym memberships, health screenings, and wellness workshops support both physical and mental health.
- Childcare support: On-site childcare or subsidies for childcare services assist employees in managing family responsibilities while working.
- Career development Opportunities: Training and development programs are offered to support professional growth without compromising personal time.

Since 2024, the Group-wide Recharge policy has allowed all employees across the Group to take one month of paid leave for every five years of service. This sabbatical is designed to reduce stress and prevent burnout by offering opportunities for personal growth, such as pursuing hobbies, traveling, volunteering, or developing new skills — all of which support improved mental health. The expected outcome is a more engaged and productive workforce, contributing to a healthier work environment and reduced turnover rates.

At present, no measurable targets or base year have been established for tracking progress on this topic. However, the company evaluates the effectiveness of its work-life balance policies and actions by monitoring key indicators such as employee turnover, engagement, and satisfaction. These metrics are regularly reported to internal stakeholders. Our workforce actively contributes to identifying opportunities for improvement through the engagement survey process (see section 2.1.3 Processes for engaging with own workforce above).

Work-life balance metrics

Headcount	2023 restated	2024
The percentage of employees entitled to take family-related leave	100%	100%

2023 figured were restated reflecting discontinued operations in Czechia



## S1 Working conditions: Health and safety

### Material impacts, risks and opportunities management

#### SBM-3

The Group prioritizes safety and is committed to ensuring safe and healthy working conditions for all members of its own workforce, including contractors. We actively pursue a Group-wide target of zero accidents in our workplace.

Given the diversity of roles across our organization, employees are exposed to varying degrees of risk to their health and well-being. Identifying and mitigating these hazards is a key area of focus.

Technicians, in particular, face elevated risks due to the nature of their work on telecom masts, towers, and rooftops, where they install cabling, antennas, and other transmission equipment. They are also exposed to risks associated with electricity, extreme weather conditions, and electromagnetic fields. In addition, vehicle traffic poses a significant safety concern, as many tasks are carried out in public areas near roads or highways.

Other groups at risk include employees in call centres and retail stores. Call centre work involves extended periods of sitting and repetitive motions, where poor ergonomics can contribute to obesity, musculoskeletal disorders, and other chronic conditions. Furthermore, the emotional demands of managing customer inquiries and complaints, including incidents of verbal abuse, harassment, or threats of violence, can negatively affect employees' mental health.

If not properly managed, these risks can have serious consequences for both physical and mental well-being, reduce employee morale, contribute to staff turnover, and compromise work quality. For these reasons, occupational health and safety is of significant importance to the Group, given its potential adverse impact on our workforce.



⏪ Content

Policies, Actions and resources, Metrics and targets	
MDR-P/ S1-1	MDR-A/S1-4
MDR-T/S1-5	S1-14

The Group has established procedures to identify hazards, assess risks, and prevent accidents and occupational diseases. These procedures are defined within local health and safety policies developed at the business unit level and reflect the specific legal and operational requirements in each country in which the Group operates.

All Group companies have occupational health and safety guidelines in place to manage the risks faced by employees. Several companies such as Yettel Bulgaria, CETIN Bulgaria and CETIN Serbia have obtained ISO 45001 certification for their occupational health and safety management systems, verified through external audits.

Employees are trained to work in accordance with health and safety management systems. All new employees are required to complete mandatory training in health, safety, and fire safety upon joining the company, followed by regular refresher courses. Employees in technical roles receive additional, specialized training, for example in working at height and electrical engineering safety.

The Group also runs regular awareness campaigns. We recognise the importance of supporting psychological, social, and physical well-being and promote this through initiatives that raise awareness about healthy lifestyles and maintaining work-life balance.

We invest in safety equipment and the ongoing upskilling of employees, particularly technicians, who are exposed to a higher risk of severe or life-changing injuries in our operations. To ensure compliance with safety standards, the Group maintains up-to-date records of identified hazards, conducts regular risk assessments, and implements necessary preventive and corrective measures. Business units carry out routine audits and on-site health and safety inspections, provide continuous supervision, and operate robust site maintenance programmes.

In addition, we support the overall well-being of our workforce by addressing work-related mental stress and guiding both employees and managers through procedures designed to manage these concerns. A variety of benefits are offered in line with local practices, and employees are encouraged through internal communication campaigns to make use of these resources. We offer courses focused on coping with stress and emotional health, as well as organizing various sports activities to promote physical and mental resilience and strengthen team spirit.

**Progress against target**  
Unfortunately, as noted earlier, while no employee fatalities were recorded, the Group did not meet its target of zero fatal injuries in the workplace, with one fatality involving a supplier’s employee working on our infrastructure in 2024. Following the incident, we reinforced our health and safety team, increased site monitoring, introduced mandatory work-at-height permits, and strengthened contractor training and oversight.

Health and safety metrics

	Employees 2023 restated	Employees 2024	Non-employees 2023 restated	Non-employees 2024
Percentage of own workers who are covered by health and safety management system based on legal requirements and (or) recognised standards or guidelines	100%	100%	99%	26%
Number of fatalities in own workforce as result of work-related injuries and work-related ill health	-	-	-	-
Number of fatalities in own workforce as result of work-related injuries	-	-	-	-
Number of fatalities in own workforce as result of work-related ill health	-	-	-	-
Number of recordable work-related accidents for own workforce	52	17	8	-
Rate of recordable work-related accidents for own workforce	2.0	1.4	-	-
Number of cases of recordable work-related ill health of own workforce	1	1	N/A	N/A
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health	73	805	N/A	N/A

2023 figured were restated reflecting discontinued operations in Czechia.

Own workers are own employees (persons with employment contract, including permanent, temporary, full-time or part-time, guaranteed or non-guaranteed hours) and non-employees (self employed contractors, temporary agency workers, interns and other workers with non-guaranteed hours with other type of contract than employment).

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We recognise the importance of supporting psychological, social, and physical well-being and promote this through initiatives that raise awareness about healthy lifestyles and maintaining work-life balance.

## S1 Equal treatment and opportunities for all: Diversity, gender equality and equal pay for work of equal value

### Material impacts, risks and opportunities management

#### SBM-3

The Group strives to create an environment where everyone feels welcome, discrimination is prevented, and promotional opportunities are accessible and based on individual skills and merit.

We recognise that individuals with diverse backgrounds bring valuable differences in perspective, work ethic, and way of working. Diversity in the workplace reflects the world around us and the needs of our customers, ultimately contributing to better business solutions. Strong and diverse leadership is also a key pillar of successful business.

We have identified potential negative impacts related to diversity, gender equality, and equal pay for work of equal value as material in relation to the Group's workforce. All members of our workforce who could be materially impacted are included in the scope of this disclosure.

The Group applies an unbiased and non-discriminatory approach to hiring, promotion, and employee rewards. However, some disparities may exist, particularly in roles where men are more represented. Insufficient oversight and optimisation of hiring, promotion, and wage policies with respect to gender may result in the unequal treatment of some employees. If not properly managed, such issues can negatively impact people's quality of life and, by extension, society as a whole.

The Group has not identified any activity that caused or contributed to a material negative impact on people in its own workforce related to diversity, gender equality, or equal pay for work of equal value, so no remedial action has been required or taken during the year.

### Policies, Actions and resources, Metrics and targets

MDR-P/ S1-1

MDR-A/S1-4

MDR-T/S1-5

S1-9

S1-16

The Group's commitment to respecting and protecting human rights, as declared in the International Bill of Human Rights, is reflected in its Code of Ethics. Our actions are shaped by ongoing input from key stakeholders – our employees.

In 2023, we conducted a group-wide diversity and inclusivity survey across all business units. The survey gathered employees' views on the importance of equality, management's commitment to this area, and their personal experiences, if any, with discrimination or unconscious bias during their employment at the Group. Overall, most respondents agreed that equality is important and that a diverse and inclusive culture positively influences the company's success. The survey also highlighted the need to raise awareness of these topics, particularly around unconscious bias and how to avoid it in daily interactions and ways of working. The results were presented to top management at each business unit for appropriate follow-up actions.

These included the establishment of the Group's Diversity, Equity, and Inclusion (DEI) Policy, which provides guidelines for creating a workplace where everyone can perform effectively regardless of their differences. The DEI Policy is implemented through inclusive recruitment, equal career advancement opportunities, and fair remuneration practices. It applies to all companies within the Group and to individuals directly employed by a Group company or acting on behalf of or for the benefit of any Group company or the Group as a whole. This includes employees from temporary employment agencies, employees on temporary secondment outside any Group company or the Group, managers, and members of the executive and supervisory bodies of any Group company.

Various initiatives are in place throughout the organisation, such as recruiting from diverse talent pools, conducting unconscious bias training, and embedding the DEI Policy into daily practices. We also support increased female participation in corporate leadership positions through practical measures such as mentoring and support for parents returning to work after parental leave.

Our objective is to enhance overall understanding of what constitutes an inclusive workplace and to motivate individuals to embark on a diversity, equity, and inclusion (DEI) journey with our company. Our primary focus is on senior management, as we believe that meaningful change must be initiated from the top. In 2024, we partnered with an external vendor to make the training accessible to all employees in corporate leadership positions, and we will be implementing it throughout the organisation. By the end of 2024, 100 percent of employees in corporate leadership positions had completed the training.

The DEI Policy is communicated to employees through multiple channels, including the company intranet, internal communications, and training sessions. Local Chief Human Resources Officers oversee its implementation and effectiveness, reporting periodically to the Group Chief Human Resources Officer and collaborating within the HR community to address regional priorities and coordinate initiatives.

Pay equity remains a key focus for the Group as we prepare for the implementation of the EU Pay Transparency Directive (Directive 2023/970), which strengthens the principle of equal pay for equal work or work of equal value between women and men. The directive will apply from 2026.

Reducing the gender pay gap remains a long-term ambition for the Group, supported by local initiatives to increase the representation of women in technical and leadership roles. As of the end of 2024, the Group-wide gender pay gap stood at just under 24%. In working to close this

gap, we are focusing on gaining a deeper understanding of its root causes including any gaps in equal pay, so that our actions are evidence-based, well targeted, and capable of driving meaningful progress.

While we have not yet established measurable targets or a base year to track progress, we monitor our DEI performance through quantitative indicators, such as the share of women in leadership, and qualitative feedback from employee engagement surveys.



**Reducing the gender pay gap remains a long-term ambition for the Group, supported by local initiatives to increase the representation of women in technical and leadership roles.**

[↩ Content](#)

### Distribution of employees by age group (headcount)

	2023 restated	2024
Under 30 years old	1,925	2,019
Percentage of employees under 30 years old	27%	26%
Between 30 and 50 years old	4,642	5,022
Percentage of employees between 30 and 50 years old	65%	65%
Over 50 years old	596	697
Percentage of employees over 50 years old	8%	9%

2023 figures were restated reflecting discontinued operations in Czechia.

### Gender distribution at top management level (headcount)

	2023 restated	2024
Female	14	15
Percentage of total at top management level	22%	24%
Male	49	49
Percentage of total at top management level	78%	76%
Other	-	-
Percentage of total at top management level	-	-
No data	-	-

2023 figures were restated reflecting discontinued operations in Czechia.  
Top management level is CEO minus one, excluding non-management positions.



## S1 Equal treatment and opportunities for all: Training and skills development

### Material impacts, risks and opportunities management

#### SBM-3

The Group is dedicated to fostering employee growth and recognising individual contributions. To support this commitment, we have implemented comprehensive talent development programmes, and a wide array of learning and development opportunities aimed at enhancing the skills and competencies of our workforce. These initiatives not only strengthen employee capabilities but also improve job satisfaction and support long-term career progression.

We believe that when employees are engaged and motivated, customer satisfaction and business performance follow. As a result, the Group benefits from increased productivity, higher employee morale, and sustained organisational success.

To maintain this positive cycle, we continue working to be recognised as an employer of choice. Our focus on training and skills development has already demonstrated a material positive impact within our operations, particularly over the short and medium term.

### Policies, Actions and resources, Metrics and targets

MDR-P/ S1-1

MDR-A/S1-4

MDR-T/S1-5

S1-13

The Group operates as a holding structure; therefore, policies related to our workforce and procedures are decentralised to reflect the inherent differences between our operations and legal frameworks, and to better support local employees.

We are committed to ensuring a safe, secure, and supportive working environment for all employees. This is achieved through targeted training and clear communication, enabling employees to carry out their responsibilities safely and effectively. Training programmes are developed in line with the Group's strategic priorities, regulatory obligations, and individual development objectives.

Our approach to employee development is embedded in local operations through structured people reviews, personnel development programmes, and succession planning. These are aligned with the Group's broader business objectives to ensure consistency and strategic impact.

Learning and development needs are identified through annual talent reviews conducted as part of the performance management cycle, as well as through direct engagement with leaders. These reviews address key areas such as performance enhancement, talent retention, capability development, upskilling, and future role readiness.

To support individual growth and address specific areas for development, we offer training modules that are open to everyone. We strive to build a pipeline of high-potential individuals with diverse backgrounds and skills. Employees guided by their managers and HR partners can select courses at both the company and individual level, creating a personalised development journey.

The courses are built around three development pillars:

#### Soft skills and expertise

Learning and training modules for employees, including leadership development, organizational and business design, project management, presentation skills, and Excel training.

#### New ideas and solutions

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

#### Talent

Mentoring for high potential individuals to develop their skills, and shadowing to create opportunities for employees to explore work in other functions and departments, gain fresh perspectives on the organization, and pursue required skills and competencies.

## Case study

# CETIN Hungary supports young women in STEM careers



Although women represent nearly half of Hungary's employed population, they make up less than 14% of the technology workforce. Research shows that career paths are often shaped during secondary school, yet many girls lack the encouragement and resources to pursue science, technology, engineering, and mathematics (STEM) fields. CETIN Hungary aims to shift this trend by opening new opportunities for young women in tech.

In 2023, the company launched STEMpowered by CETIN, a free, year-long talent programme for secondary school girls. The first season focused on strengthening mathematical and digital skills. In its second season (2024/2025), the programme evolved to include soft skills such as creativity, communication, and self-awareness — skills often underemphasised in traditional education.

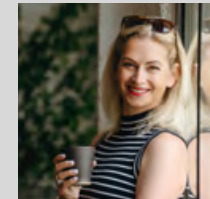


Participants are selected through a themed hackathon on "Smart Cities and 5G." Once admitted, students attend mentoring sessions, career guidance workshops, and technical presentations led by CETIN colleagues, covering topics such as mobile coverage at music festivals and cybersecurity. Each student is also matched with a CETIN "buddy," who provides ongoing mentorship and real-world insight into STEM careers.

The first season, concluded in summer 2024, had a broad reach: a national media campaign generated 67 media appearances and reached nearly 6 million people. A total of 38 mentoring sessions were delivered, offering one-on-one support and boosting student confidence and interest in STEM.

The programme is delivered in collaboration with the Association of Women in Science (NaTE). It demonstrates that with strong partnerships and the right approach, traditionally technical industries can engage more diverse talent and promote inclusion. It also reflects CETIN Hungary's evolving role as a modern, socially responsible employer.

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We want to inspire young people, especially girls, to confidently pursue careers in STEM based on their own interests and experiences, rather than societal expectations. STEM fields offer exciting and meaningful opportunities, and we aim to show them the vast possibilities available.

**Judit Kübler-Andrási**  
CEO, CETIN Hungary



## Nevena Stefanović Chief Human Resources Officer

Our company is undergoing a major transformation, modernising how we work, how we serve our customers, and how we develop our products. At the centre of this change are our people. As we digitise customer journeys, roll out AI-driven solutions, and adopt more agile ways of working, it's our people who make it happen. That's why our talent development efforts are all about helping them grow with us — because when our people thrive, so does our business. Reskilling, upskilling, and building future-ready capabilities aren't just training initiatives; they're essential to unlocking long-term success, together.

[↶ Content](#)

### Group talent development programme

To support the development of key talent for business unit management roles, we have centralised people review processes and tailored individual development approaches for each individual. This forms the baseline for Group-wide talent growth. We leverage Group synergies to place the right people in the right roles. This bottom-up process, conducted at the local level, involves identifying rising stars and future leaders. Their potential is further evaluated at Group level by senior managers, including executives such as the CEO and Chief Financial Officer.

Training and skills development initiatives are tracked and assessed by the Group Chief Human Resources Officer and relevant functional teams. The Group management receives annual updates.

### Training and skills development metrics

	Female 2023 restated	Female 2024	Male 2023 restated	Male 2024	Total 2023 restated	Total 2024
Number of employees in headcount	3,825	3,697	3,338	3,400	7,163	7,097
Number of employees that participated in regular performance and career development reviews	3,754	3,640	3,240	3,259	6,994	6,900
Percentage of employees that participated in regular performance and career development reviews	98%	98%	97%	96%	98%	97%
Number of regular performance and career development reviews provided to employees within the undertakings in the reporting year	11,490	14,827	8,823	11,310	20,313	26,137
Average number of performance reviews per employee	3.1	4.1	2.7	3.5	2.9	3.8
Number of cases of recordable work-related ill health of own workforce	1	1	N/A	N/A	N/A	N/A
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health	73	805	N/A	N/A	N/A	N/A

2023 figures were restated reflecting discontinued operations in Czechia.



**We believe that when employees are engaged and motivated, customer satisfaction and business performance follow.**

# S1 Equal treatment and opportunities for all: Measures against violence and harassment in the workplace

Material impacts, risks and opportunities management

SBM-3

Workplace violence and harassment can manifest in various forms, including verbal comments, threats, intimidation, unwanted sexual advances, and bullying. These behaviours can create a toxic work environment, impacting individual employees, the organisation, and society at large.

We have identified potential negative impacts related to violence and harassment in the workplace as material to the Group's workforce. All members of our workforce who could be materially affected are included in the scope of this disclosure.

Regrettably, but also as a testament to the effectiveness of our policies, we recorded one substantiated incident of harassment. This case was thoroughly investigated, and appropriate actions were taken to address the issues. We also followed up with targeted training sessions and raised awareness among managers on how to recognise behaviours that we consider inappropriate.

Policies, Actions and resources, Metrics and targets

MDR-P/ S1-1	MDR-A/S1-4	
MDR-T/S1-5	S1-3	S1-17

The Group does not tolerate workplace harassment, violence, bullying, or any behaviour deemed disrespectful or offensive. Discrimination based on race, sex, gender identity, sexual orientation, age, language, religion, or disability is strictly prohibited across the entire organisation. The Group has implemented policies, procedures, and training programmes to prevent such situations from occurring, remaining unreported, or being unmanaged.

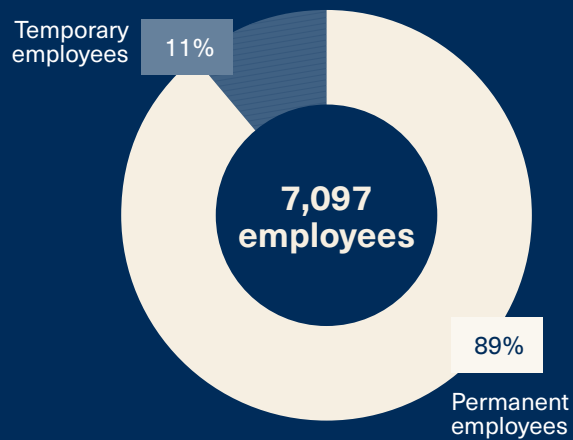
Our objective is to foster a workplace that upholds safety and respect, free from discrimination as defined in the Code of Ethics. Effective communication, transparency, and demonstrable commitment from leadership are essential to creating an environment where employees feel confident to raise concerns about potential adverse impacts, including discrimination.

Grievance mechanisms are available by country and business unit, providing employees with formal procedures to report discrimination. Employees are encouraged to report any incidents of harassment or discrimination to their manager, Human Resources, or through the ethics hotline on the [ppf.eu website](#). The Group's policy is to address all reported issues promptly and ensure the protection of employees. Retaliation against individuals who report suspected misconduct in good faith is not tolerated.

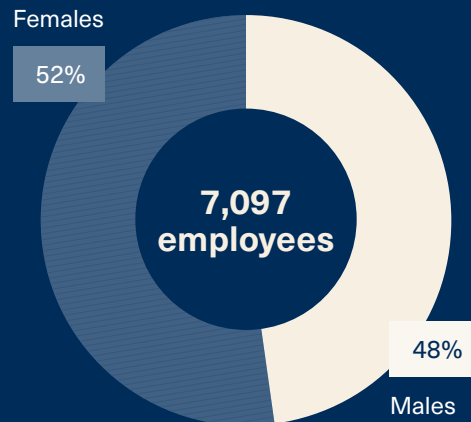
Reference to whistleblowing mechanisms, including the ethics hotline, is provided in section G1 Ethics hotline and protection of whistle-blowers, [p. 116](#).

In 2024, no severe human rights incidents were reported. Severe human rights incidents are defined as confirmed cases of modern slavery, human trafficking, or child labour. Based on information from the ethics hotline, legal disputes, and media allegations documented by the legal and HR teams, we found no instances of these issues within our workforce during 2024. As a result, no fines, penalties, or compensation were paid. Additionally, no violations of the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises were reported in 2024.

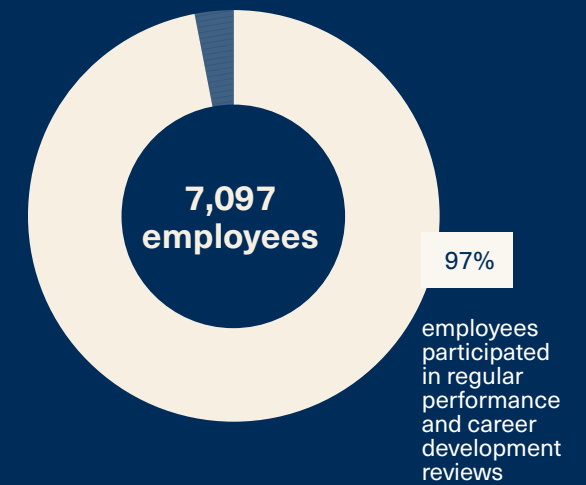
### Employment type breakdown



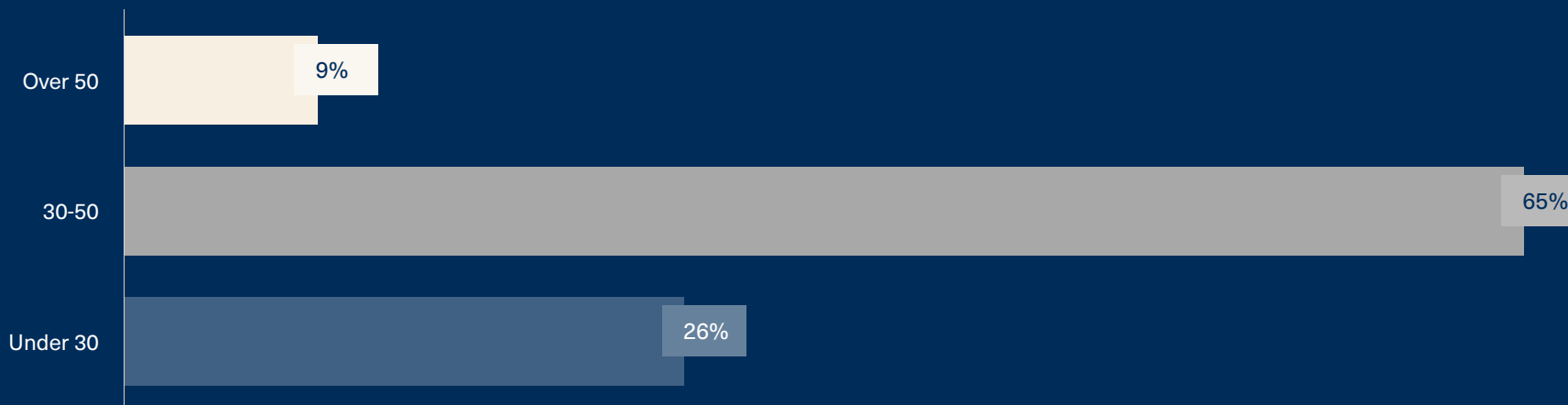
### Employee gender distribution



### Regular performance and career development reviews



### Distribution of employees by age group





# S4 Consumers and end-users

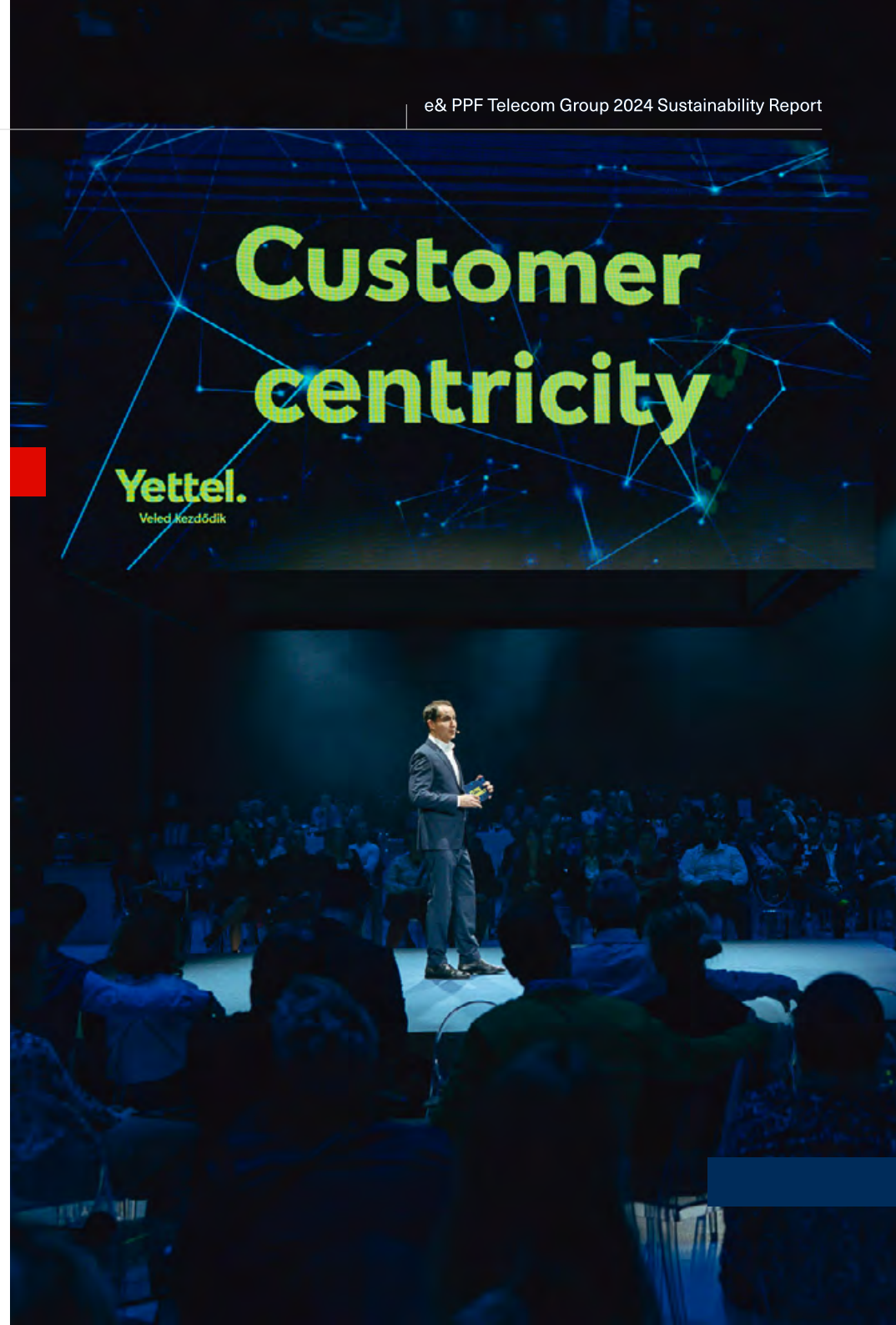
Impact, risk and opportunities

SBM-3

Our customers are our primary stakeholders, and their satisfaction is one of the pillars of the Group's business success. As a telecommunications company, we play a vital role in fostering inclusive digital ecosystems by providing safe, high-quality, and affordable connectivity. We enable individuals and businesses to access and benefit from digital services by deploying modern, reliable networks. This is supported by ongoing investment in 5G infrastructure, fibre access, digitalisation, and cybersecurity.

The Group is committed to safeguarding customer data and privacy. Our processes are continuously reviewed and strengthened to improve security, build trust, and enhance customer satisfaction. Managing the impact of our products and services on customers is central to our ambition to deliver the best network and user experience while generating long-term value for all stakeholders.

With the increasing frequency of cyber threats, building robust and effective security defences is critical. Security incidents can have significant reputational and financial consequences for operators. These risks are relevant to our own operations over the short, medium, and long term, and their financial implications have been assessed as potentially material.





## Branimir Marić Chief Technology and Information Officer

A high-quality, resilient network is the foundation of the promise we make to our customers. To deliver on that promise, we are expanding 5G coverage, modernising legacy infrastructure, and investing in fibre and next-generation technologies. But technology alone is not enough. True success lies in how effectively we translate these advancements into tangible outcomes — seamless, efficient, and consistently positive experiences for every user.

## S4 Consumers and end-users

The Group has not identified any activities caused or contributed to material negative impacts on customers in relation to this topic. As such, no remedial actions were required or undertaken during the reporting period.

No own operations were excluded from the DMA, and all identified material impacts and risks or opportunities are included within the scope of disclosure under this chapter (S4). All material impacts and risks identified under the ESRS S4 Consumers and End-Users standard are presented in the table below and further detailed in the Impact, risk and opportunity management section, [p. 31](#).

Impact description	Value chain	Actual/ Potential
<b>+</b> <b>Social inclusion of consumers and/or end-users: Access to products and services</b> As a telecommunications provider, the Group is committed to delivering reliable connectivity and ensuring that information and communications technology remains accessible and affordable for all. In today's digital world, such access is increasingly recognised as a fundamental human right.	Downstream	Actual
<b>–</b> <b>Social inclusion of consumers and/or end-users: Access to products and services</b> The Group operates key telecommunications infrastructure that supports essential societal functions. Network failures could disrupt service delivery and impair access to critical public and private services reliant on mobile and fixed connectivity.	Downstream	Potential
<b>–</b> <b>Information-related impacts for consumers and/or end-users: Privacy/Cybersecurity</b> The Group handles a substantial volume of customer data across its operations. Deficiencies or breaches in network security can lead to data leaks, including sensitive information, and may infringe on customers' rights to data protection. Improper handling or processing of personal data may result in privacy violations such as identity theft, financial loss, or other personal harm.	Downstream	Potential
<b>↓</b> <b>Information-related impacts for consumers and/or end-users: Privacy/Cybersecurity</b> Customers using the Group's online services may be vulnerable to cyberattacks and internet fraud. Strengthening data protection and improving resilience against such threats is essential. The Group offers comprehensive cybersecurity solutions to support safe internet usage among customers.	Downstream	Actual
<b>+</b> <b>Personal safety of consumers and/or end-users</b> To promote safe internet usage, the Group provides educational and training programmes for the general public. These initiatives help customers and their families understand and mitigate potential online risks.	Downstream	Actual
Financial risk or opportunity description	Value chain	
<b>↓</b> <b>Information-related impacts for consumers and/or end-users: Privacy/Cybersecurity</b> Security incidents can result in regulatory fines, reputational damage, customer attrition, and negative financial consequences. Compromised personal data may also lead to adverse publicity, eroding customer trust and damaging the Group's brand reputation.	Own operations	

Impact materiality **+** Positive **–** Negative

Financial materiality **↑** Opportunity **↓** Risk

## Policies adopted to manage material impacts (general overview)

S4-1

Customer protection in the EU and Serbia is governed by a robust legal framework and increasingly aligned with international standards, including those set by the OECD. Our policies are consistently aligned with applicable regulatory and industry requirements. To reflect the varying legal and operational environments across our footprint, customer-related policies and procedures are decentralised and adapted to local contexts.

Our customer engagement initiatives are closely aligned with the requirements of the General Data Protection Regulation (GDPR), ensuring we uphold the highest standards of data privacy and protection. We recognise the importance of safeguarding personal data and have implemented stringent measures to maintain compliance with GDPR.

Our data protection policies are designed to be transparent, enabling customers to clearly understand how their personal information is collected, used, and stored. We provide accessible guidance on how customers can review, correct, or delete their data, fostering trust in our data handling practices.

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**Our customer engagement initiatives are closely aligned with the requirements of the GDPR, ensuring we uphold the highest standards of data privacy and protection.**



⏪ Content

General processes for engaging with customers and for raising concerns

S4-2

S4-3

The Group aims to strengthen customer engagement by systematically collecting and incorporating feedback to improve its services and product offerings. We believe that exceptional customer service means not only meeting customer needs but also exceeding expectations. The Group is committed to understanding customer experiences, preferences, and requirements to consistently deliver a high-quality experience. To this end, we regularly conduct customer satisfaction surveys to gather insights that help refine our products and services.

Customer satisfaction survey results using TRI\*M index<sup>1</sup>

Country	2023	2024
O2 Slovakia	80	82
Yettel Hungary	83	89
Yettel Bulgaria	77	78
Yettel Serbia	91	89
<b>e&amp; PPF Telecom Group consolidated</b>	<b>81</b>	<b>83</b>

N.B. This table only shows continuing operations. The consolidated total is calculated as a weighted average.  
[<sup>1</sup>] TRI\*M method, see <https://www.kantartns-see.com/what-we-do/key-research-tools/Relationshiptrim/>

The Group's commitment to quality includes providing innovative, reliable, and high-performing products and services at competitive prices. All promotional information is designed to be truthful, clear, relevant, and accurate. Our offerings comply with applicable legal standards and match the descriptions provided in marketing materials. We remain accessible to address customer questions or complaints and are transparent in how personal data is stored and processed. Customers are clearly informed about how to access, review, and correct their personal information.

Following the 2023 analysis, the Group is progressing with strategic roadmaps to digitise customer-facing processes across all operating countries. The goal is to enable seamless online access to all products and services through a single application. In 2024, we achieved several milestones, including the digitisation of most customer-facing processes for key products, the introduction of digital-first or digital-only offerings such as O2 Junior or O2 Radost in Slovakia and YEPP by Yettel Hungary, and the rollout of AI-powered chatbots in Slovakia. These efforts support our broader 2023–2025 transformation goals, which include significant investments in modernising the business support systems used to manage customer interactions.

Clear mechanisms are in place to report complaints, enabling any stakeholder to contact the company through standard communication channels such as customer helplines and online forms. Employees have access to a dedicated internal safety line and specific reporting procedures. All complaints, findings, and suggestions related to cybersecurity and data protection are reviewed and addressed in a timely and appropriate manner.

## S4 Social inclusion of consumers and/or end-users: Access to products and services

### Material impacts, risks and opportunities management

#### SBM-3

As a telecommunications provider, the Group plays a pivotal role in the digital age by delivering the backbone that powers modern digital services. By expanding access to both fixed and mobile networks, we help bridge the digital divide, reduce inequality, and promote inclusive connectivity. We are committed to ensuring reliable and universal access to information and communication technologies, now increasingly recognised as fundamental rights. These efforts support not only the continuity of essential services but also drive social inclusion, economic development, and technological progress, benefiting individuals and communities alike.

The systems we operate are essential to societal functioning. Disruptions, whether from cyber threats, extreme weather, or other risks, can significantly impact operations and limit access to vital services for public institutions and private enterprises that depend on our connectivity. Ensuring the resilience and security of these networks is therefore critical to maintaining service continuity and supporting societal stability.



**In 2024, the Group acquired fixed assets totalling EUR 352 million, with investments primarily directed toward the development and modernisation of telecommunications infrastructure.**

### Policies, Actions and resources, Metrics and targets

MDR-P/ S4-1

MDR-A/S4-4

MDR-T/S4-5

As an EU-based operator, we support the European digital strategy by contributing to the development of secure, high-performance, and sustainable digital infrastructure. In Central and Southeastern Europe, most urban and peri-urban areas are already covered by mobile and fixed networks. As a result, our current focus is on improving the quality of connectivity in these densely populated areas. At the same time, ensuring connectivity in rural regions remains essential for attracting working-age populations to smaller towns and villages, enabling remote work, reducing commuting needs, and improving access to public services.

We continue to expand and modernise our mobile networks by upgrading legacy 4G technology and building nationwide 5G infrastructure to deliver fast, high-capacity coverage and enhance the mobile user experience. By leveraging the speed and superior capacity of our 5G mobile network, we are able to provide reliable fixed broadband services via mobile connectivity, reaching areas where traditional fixed-line infrastructure is unavailable. At the same time, we are investing in improving the overall user experience and delivering greater value to subscribers of our fixed services, regardless of their connection type, whether through fixed wireless access or leased fibre networks.

The Group's wholesale infrastructure providers — CETIN Slovakia, CETIN Hungary, CETIN Bulgaria, and CETIN Serbia — offer wholesale services to telecommunications companies. In 2024, the Group acquired fixed assets totalling EUR 352 million, with investments primarily directed toward the development and modernisation of telecommunications infrastructure. Key focus areas included the roll-out of 5G mobile networks and upgrades across various network segments.



### Progress against targets

Our mobile operators — O2 Slovakia, Yettel Hungary, Yettel Bulgaria, and Yettel Serbia — serve national markets by providing mobile telecommunications services to retail customers, corporate clients, and government institutions. The roll-out of 5G networks is progressing in markets where we hold licences, achieving population coverage of 77% in Slovakia, 49% in Hungary, and 88% in Bulgaria. In Serbia, Yettel is preparing for the 5G roll-out, pending the allocation of spectrum via a national auction.

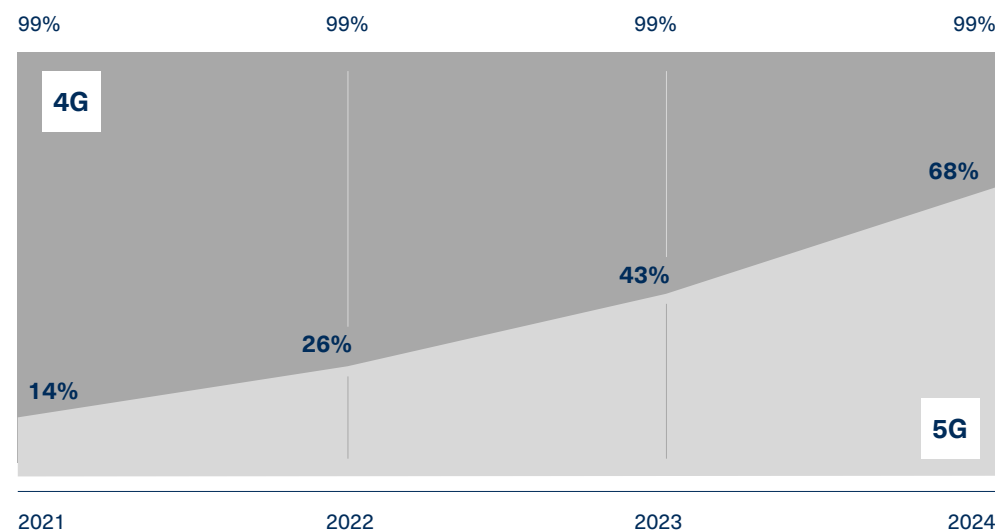
Despite ongoing investment, gaps in high-speed internet access remain, particularly in remote or sparsely populated areas. The Group continues to address these “not-spots” through targeted infrastructure expansion.

The Group's original 5G connectivity target was to cover at least 50% of the population across our operating countries by 2024 and reach 80% by 2027. By the end of 2024, we achieved an average population coverage of 55%. Excluding Serbia, where 5G spectrum is not yet available, our average 5G population coverage stands at 68%. In urban areas, we aimed for a 5G connectivity speed of at least 250 Mbps — a benchmark that has already been met.

### 4G network coverage by country

Country	2020	2021	2022	2023	2024
Slovakia	97%	97%	98%	98%	98%
Hungary	100%	100%	100%	100%	100%
Bulgaria	97%	99%	100%	100%	100%
Serbia	97%	97%	97%	97%	98%
<b>Group total</b>	<b>98%</b>	<b>99%</b>	<b>99%</b>	<b>99%</b>	<b>99%</b>

% of population covered



### 5G network coverage by country

Country	2020	2021	2022	2023	2024
Slovakia	N/A	3%	37%	67%	77%
Hungary	N/A	5%	16%	39%	49%
Bulgaria	N/A	49%	59%	71%	88%
Serbia	N/A	N/A	N/A	N/A	N/A
<b>Group total</b>	<b>N/A</b>	<b>14%</b>	<b>26%</b>	<b>43%</b>	<b>68%</b>

% of population covered

### Independent network quality testing results

Country	2023	2024
O2 Slovakia	Several Mobile Experience Awards by OpenSignal <sup>1</sup>	Several Mobile Experience Awards by OpenSignal <sup>1</sup>
Yettel Hungary	Several Mobile Experience Awards by OpenSignal <sup>2</sup>	Several Mobile Experience Awards by OpenSignal <sup>2</sup>
Yettel Bulgaria	Umlaut award winner <sup>3</sup>	Several Mobile Experience Awards by OpenSignal Umlaut award winner <sup>3</sup>
Yettel Serbia	Umlaut award winner <sup>4</sup>	Several Mobile Experience Awards by OpenSignal Umlaut award winner <sup>4</sup>

<sup>1</sup> Source: <https://www.opensignal.com/reports/2025/02/slovakia/mobile-network-experience>  
<sup>2</sup> Source: <https://www.opensignal.com/reports/2025/02/hungary/mobile-network-experience>  
<sup>3</sup> Source: <https://www.opensignal.com/reports/2025/01/bulgaria/mobile-network-experience>  
<https://www.accenture.com/content/dam/accenture/final/industry/communications-and-media/document/Accenture-Bulgaria-Mobile-Benchmark-Certificate-Yettel.pdf>  
<sup>4</sup> Source: <https://www.opensignal.com/reports/2024/07/serbia/mobile-network-experience>  
<https://www.accenture.com/content/dam/accenture/final/accenture-com/document-2/202403-Accenture-Serbia-Mobile-Benchmark-Certificate.pdf>

The resilience of telecommunications infrastructure is essential for maintaining continuous connectivity and ensuring the smooth functioning of critical systems. To support uninterrupted service delivery, the Group has implemented a standardized Business Continuity Management framework. This framework prioritizes risk assessment, network redundancy, disaster recovery, cybersecurity, regulatory compliance, and workforce continuity. It includes identifying critical services, establishing disaster recovery capabilities, and preparing for emergencies through clear communication protocols and regular testing.

Preventive measures, such as system redundancy (e.g., hot standby systems) and backup resources (e.g., battery systems and emergency generators), help minimize the risk of outages, complemented by ongoing monitoring and resilience planning. When unexpected disruptions occur, reactive mechanisms are in place. These include activating emergency and crisis response teams to restore services quickly and maintaining transparent communication with stakeholders throughout the process.

In addition, the growing prevalence of cyber threats demands robust cybersecurity measures to protect against unauthorized access, data breaches, and attacks that could compromise the integrity and availability of our network. Our cybersecurity strategy includes advanced security capabilities, regular system audits, and employee awareness training (see section S4: Information-related impacts/Privacy (Cybersecurity and data protection) [p. 107](#)). By combining preventive and responsive measures with strong cyber defences, telecommunications providers help ensure uninterrupted service and maintain the connectivity essential to societal and economic activities.

## Case study



# CETIN Bulgaria advances sustainable infrastructure with the 5G Balkans project

In January 2024, CETIN Bulgaria launched the EU co-funded 5G Balkans project<sup>1</sup> to strengthen fibre optic infrastructure along the Sofia–Dimitrovgrad corridor, part of the TEN-T Orient/East-Med network, a key EU transport route under the Trans-European Transport Network. The project supports the future rollout of 5G-enabled Connected and Automated Mobility (CAM) services and reflects CETIN's broader ESG ambitions.

Implemented in collaboration with CETIN Serbia, Yettel Bulgaria and Yettel Serbia, and the Technical University (TU) of Sofia, the initiative will deploy 100 km of new high-speed fibre connectivity and upgrade existing routes. TU Sofia will provide independent performance assessments and identify any signal disturbances relevant to future road safety technologies.



The project illustrates CETIN's efforts to align infrastructure expansion with long-term sustainability goals. CAM technologies help decarbonise transport through smart logistics, traffic optimisation, and autonomous driving, reducing fuel use and emissions. Fibre optic networks also offer significant energy savings, consuming up to 12 times less power per transmitted bit compared to traditional systems.

In addition to environmental benefits, the project supports digital inclusion by extending connectivity to underserved regions and improving access to digital services. It also exemplifies effective cross-border cooperation and alignment with EU-wide digital and sustainability priorities.

<sup>1</sup> The 5G Balkans project is receiving funding from the Connecting Europe Facility (CEF2) programme under Grant Agreement No. 101133895.



The 5G Balkans project demonstrates how digital infrastructure can support both technological progress and environmental sustainability. By expanding high-speed fibre and enabling future CAM services, we're laying the groundwork for smarter, safer, and more energy-efficient transport, while also advancing regional connectivity and inclusion.

**Plamen Vichev**  
Business development and transformation director



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# S4 Information-related impacts/ Privacy (Cybersecurity and data protection)

Material impacts, risks and opportunities management

SBM-3

In today’s rapidly evolving digital landscape, the telecommunications sector plays a critical role not only in maintaining continuous connectivity for individuals and businesses, but also in securely processing and storing sensitive customer information. It is essential that customers trust their data is handled with the highest level of security. Improper handling or processing of personal information, along with deficiencies or breaches in network security, could result in data leaks and could negatively impact customers' right to data protection and privacy.

Addressing regulatory requirements and customer expectations around data privacy requires complex risk and compliance frameworks. Non-compliance can result in substantial fines and the erosion of

customer trust. Security incidents also carry the risk of significant reputational and financial impacts, reinforcing the need for robust defences against rising cyber threats.

To support customers in safeguarding their data, the Group provides tailored solutions to secure mobile devices, computers, and networks, as well as value-added services such as security monitoring and incident response. These proactive measures foster trust and enable customers to take full advantage of digital technologies without compromising their privacy or security.

Policies, Actions and resources, Metrics and targets

- MDR-P/ S4-1
- MDR-A/S4-4
- MDR-T/S4-5

Cybersecurity and data protection are vital to the Group’s business continuity. To safeguard operations and uphold customer trust, the Group continuously strengthens its data protection measures and network resilience against cybercrime.

The Group and its business units maintain a comprehensive framework of policies, guidelines, and training programmes. These include data breach inventory and reporting procedures, information management policies, and controls for data processing inventories. All business units operate ISO 27001-certified Information Security Management Systems.

While cybersecurity is centrally managed at Group level, individual business units adapt practices to reflect their specific business models, geographic contexts, and legal environments. The network deployment process includes assessments of safety requirements and radiation exposure limits, which are documented as part of standard project documentation. All network-related processes undergo regular audits, including internal reviews and external ISO compliance assessments.

These efforts are overseen by the Group’s Security Board, chaired by the Head of Security at e& PPF Telecom Group. The Security Board defines and approves the Group’s security strategy and priorities, including implementation and budget planning. Since 2020, a regional security standardisation programme has been in place to harmonise security tools across all entities.

Each business unit operates its own internal Security Operations Centre (SOC) supported by procedures for real-time monitoring and incident response. Dedicated cybersecurity teams, managers, and Security Directors are in place in each unit. Security Directors report directly to the respective CEOs, and both they and the cybersecurity managers actively participate in the Group Security Board.

Management system certifications

Policies	Group	O2 Slovakia	Yettel Hungary	Yettel Bulgaria	Yettel Serbia	CETIN Slovakia	CETIN Hungary	CETIN Bulgaria	CETIN Serbia
ISO 9001 - Quality Management	88%	✔	✔	✔	✔	✔		✔	✔
ISO 14001 - Environmental Management System	88%		✔	✔	✔	✔	✔	✔	✔
ISO 20000-1 - Information Technology	13%			✔					
ISO 22301 - Business Continuity	25%				✔				✔
ISO 27001 - Information Security Management System	100%	✔	✔	✔	✔	✔	✔	✔	✔
ISO 27002 - Information Security Management System	13%			✔					
ISO 27701 - Privacy Management System	50%			✔	✔			✔	✔
ISO 45001 - Occupational Health and Safety Management System	38%			✔				✔	✔
ISO 50001 - Energy Management	25%			✔			✔		
ISO 37001 - Anti-bribery management systems	13%	✔							
ISO/IEC 20000-1 : 2018 - Information technology – Service management	25%			✔				✔	

The Group protects all stored personal data, whether related to customers, business partners, or employees, through robust security measures. It complies with the General Data Protection Regulation (GDPR) and the e-Privacy Directive (Directive 2002/58/EC), which set out consistent and sector-specific standards for all entities operating within the EU. A wide range of processes are in place to manage information security and privacy, identify and mitigate risks, and protect the integrity and confidentiality of assets and data at all times. Data Protection Officers and dedicated security teams in each business unit oversee compliance with information security and fraud prevention policies. In the event of a security breach, the Group acts promptly to resolve the issue and mitigate its impact.

By fostering a culture of security through employee training, awareness campaigns on phishing and social engineering, regular testing, and internal communication, the Group strengthens the resilience of its workforce and infrastructure against a range of cyber risks. All employees are required to complete regular training on cybersecurity, security, and privacy.

The Group maintains comprehensive records of all data processing activities and complies with legal obligations to report any privacy breaches. Data security practices are governed by internal policies, including a company-wide data processing policy and regular privacy audits.

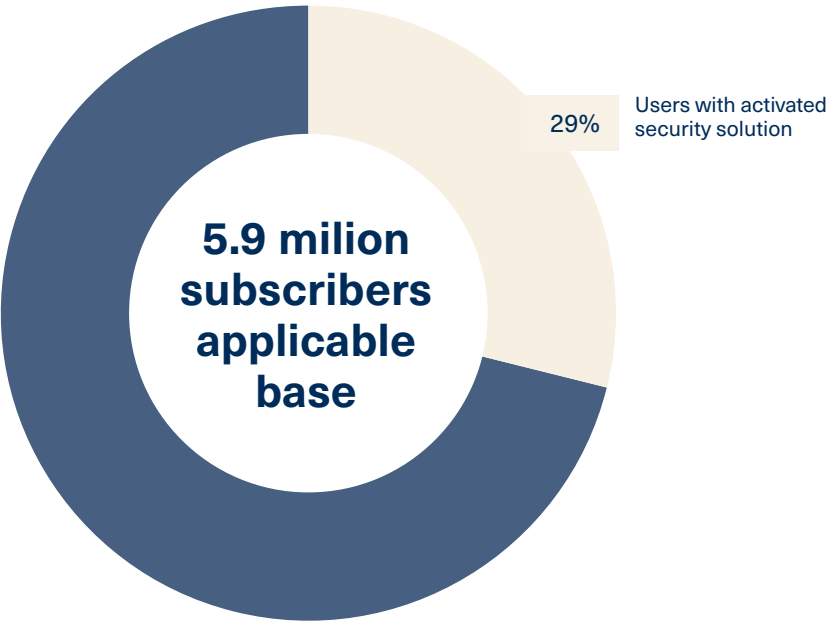
The Group also implements a range of initiatives to raise cybersecurity awareness among its customers. Recent statistics show a significant increase in the number and complexity of fraudulent activities targeting internet users and telecommunications networks. The most common threats include malware (a range of malicious programs) and phishing attacks delivered via email, SMS, or chat messages, which lure individuals into clicking links that lead to unsecured pages designed to extract sensitive information. To support customers in protecting their data, the Group offers tailored systems for securing mobile devices, computers, and corporate networks, along with value-added services such as security monitoring and incident response.

**Progress on targets**  
The Group initially set a target to provide data security solutions to at least 20% of its applicable post-paid customers in the consumer segment by 2025. At the end of 2024, the Group had already achieved 29% penetration rate and has since raised its target to 30% by the end of 2025.

Security solution penetration

	2023 restated	2024
Size of the applicable customer base	6,045,106	5,941,976
Users with activated security solution	1,362,255	1,716,821
Penetration	23%	29%

2023 figures were restated reflecting discontinued operations in Czechia.





## Case study

# Yettel Bulgaria strengthens customer protection with network-based cybersecurity services

As a leading connectivity and digital services provider, Yettel has a responsibility to protect customers from online threats and safeguard their personal data. Cybersecurity is increasingly critical in the telecommunications sector, where the number and sophistication of cyberattacks continue to rise. By embedding security directly into the mobile experience, Yettel can provide large-scale, seamless protection that does not depend on individual device settings or user expertise.

In 2024, Yettel expanded its cybersecurity portfolio with the launch of Profile Protect, complementing the Online Protect service introduced in 2020. Both services operate at the network level and are fully integrated into the Yettel mobile ecosystem via the Yettel app. Online Protect automatically blocks malicious websites and phishing attempts before they reach the user, while Profile Protect provides 24/7 monitoring of

personal data and alerts customers in the event of suspected identity theft or dark web exposure. The services are designed with an “invisible-by-design” approach – operating silently in the background, requiring no technical setup, and ensuring protection without disrupting the customer experience.

By the end of 2024, more than 850,000 customers were actively using these services, and over 3 million potential threats had been automatically blocked. This adoption rate demonstrates strong customer trust and demand for integrated security solutions. The initiative has strengthened Yettel's reputation as a provider that prioritises customer safety, reinforcing the brand's value proposition.

The programme's success was enabled by close internal coordination between Yettel's IT Service Development team and CETIN's Network Operations, ensuring smooth integration with network infrastructure. External partnerships played a critical role: Allot provided network intelligence and security-as-a-service capabilities for Online Protect, while EyeonID supplied dark web monitoring and identity protection technology for Profile Protect.

A key challenge was achieving mass customer adoption without adding friction. This was addressed by making the services fully automated, requiring no technical setup or ongoing user action. One important lesson learned is that people are more likely to trust and continue using cybersecurity tools when they operate silently in the background while delivering clear, tangible value. This is why a network-based, invisible-by-design model has proven both scalable and user-centric.

**Yettel.**

We've shown that security can be both user-friendly and scalable. Integrating threat detection and identity monitoring into our network means we protect our customers every time they connect – quietly, continuously, and effectively.

**Branko Bajić**  
Consumer Marketing  
and Products Director

## S4 Personal safety of consumers and/or end-users

### Material impacts, risks and opportunities management

#### SBM-3

Digital inclusion is not just about access; it also involves knowing how to use digital technologies effectively. Key barriers to mobile internet adoption include a lack of digital literacy and skills. Customers and their families may also face harmful online activities from external sources when using our digital services.

The Group assists vulnerable users such as children and their parents acquiring the necessary literacy and skills to benefit from digital technology. We deliver educational and training programmes for the general public that promote safe internet usage. Our digital literacy initiatives help individuals develop the skills to navigate digital platforms, use technology effectively, and critically engage with digital content. These positive impacts not only contribute

to safer online experiences but also empower individuals and communities. By improving digital literacy, we help expand access to education, employment, and social participation — contributing to a more inclusive and connected society.

### Policies, Actions and resources, Metrics and targets

#### MDR-P/ S4-1

#### MDR-A/S4-4

#### MDR-T/S4-5

In line with its sustainability strategy, the Group is committed to helping customers and their families use technology productively while staying safe online.

Mobile operators, being closest to digital technology users, are leading these initiatives across the Group's markets. Leveraging its multi-country presence, the Group adapts initiatives to local needs, using resources such as educational programmes, websites, and social media platforms. It also collaborates with leading organisations to provide expert guidance on digital skills and offers free support and training to help users navigate the online world safely and effectively.

The Group aims to train 300,000 people, particularly teachers, children, and parents, in digital skills by 2025. By the end of 2024, a total of 267,000 individuals had received training, marking significant progress toward achieving this target.



**In line with its sustainability strategy, the Group is committed to helping customers and their families use technology productively while staying safe online.**

## Case study

# O2 Slovakia promotes responsible digital habits among children and families



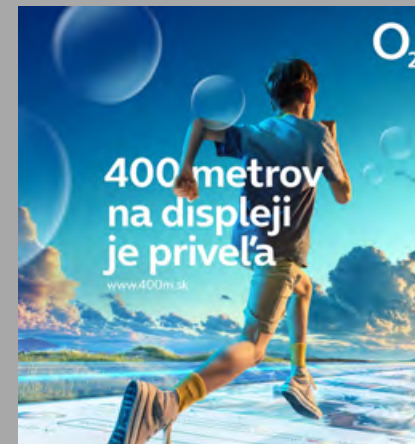
As a responsible mobile network operator, O2 Slovakia recognises its role in shaping how children and families engage with technology. In an age where screens dominate daily life, we believe it's crucial to promote balanced digital habits and empower parents to guide their children safely through the online world. O2 Slovakia has a long-standing reputation for impactful communication campaigns on safe technology use.

In summer 2024, O2 Slovakia launched a nationwide awareness campaign, 400 Metres, highlighting the average screen time of children — approximately four hours a day — equating to about 400 metres of scrolling. This striking visual metaphor was brought to life through an interactive installation and a social experiment involving O2 employees who are also parents.

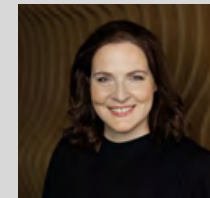
The initiative was supported by the O2 Junior SIM, a pioneering product in Slovakia that enables parents to set usage limits, control mobile data consumption, and block inappropriate content. A dedicated website, [www.400m.sk](http://www.400m.sk), featured expert advice from psychologists Jana and Andrej Zemandl, including five educational videos and various family-oriented resources.

The campaign achieved nationwide visibility through a full media mix, including television. According to an Ipsos survey, 64% of parents reported that their children spend more time on mobile phones than they expected. By raising awareness and offering practical tools, O2 Slovakia helped families reassess and rebalance screen time at home.

As part of its broader commitment, the O2 Slovakia Fair Foundation donated €50,000 to support two major initiatives: STALO SA TO (It Happened, by IPčko), which offers psychological and legal support to young people, and AKO DOBRE, ŽE SI (It Is Good You Exist, by UNICEF and the League for Mental Health), which addresses youth loneliness.



The campaign was developed in partnership with child psychologists, non-profit organisations, and internal O2 Slovakia teams. One of the biggest challenges was turning abstract concerns about screen time into real behavioural change. The initiative once again demonstrated that combining emotional storytelling with expert guidance can be a powerful force for impact.



We're committed to helping families navigate the digital world responsibly. A healthy balance with technology starts with awareness and support.

**Lucia Petrášová**  
Chief Communication & Brand  
Officer, O2 Slovakia



Chapter

# Governance information



# G1 Business conduct

Impact, risk and opportunities

SBM-3

Corporate governance in the telecommunications industry is essential for ensuring regulatory compliance, promoting ethical conduct, and supporting sustainable growth. It requires clear Board oversight, robust risk management, and the ability to foster innovation while maintaining transparency and accountability to all stakeholders.

At e& PPF Telecom Group, we are committed to eliminating illegal or unethical behaviour. Such actions undermine public trust in institutions, may violate human rights, and can lead to environmental harm. This responsibility extends beyond our own operations to include vigilance across the Group's supply chains. Non-compliance with applicable laws and regulations can lead to significant consequences, including financial penalties, reputational harm, and constraints on operational and growth capabilities.

Engaging with stakeholders and providing accessible grievance mechanisms are critical to maintaining open dialogue, collecting feedback, and taking meaningful action in response. By embedding ethical and sustainable practices into our operations, we are better positioned to navigate complex regulatory landscapes, manage risks effectively, and build long-term stability and trust with stakeholders.

No own operations were excluded from the DMA, and all identified material impacts are included within the scope of disclosure under this chapter. The impacts identified as material under the ESRG G1 Business Conduct standard are listed in the table below and further detailed in the Impact, risk and opportunity management section, [p. 31](#).



G1 Business conduct

Impact description	Value chain	Actual/Potential
<div><div></div><div><b>Corporate culture</b> The Group has established policies and procedures aimed at minimising the risk of an unhealthy corporate culture that could result in unethical behaviour, discrimination, or harassment. Such issues can contribute to a difficult work environment, reduce employee morale, and create disconnects across different levels of the organisation.</div></div>	Own operations	Potential
<div><div></div><div><b>Corruption and bribery</b> Bidding for large contracts — particularly in the public sector — carries a heightened risk of corruption and bribery, which may undermine the integrity of institutions and the rule of law. To mitigate this risk, the Group has implemented robust anti-corruption policies and procedures.</div></div>	Own operations	Potential
<div><div></div><div><b>Management of relationships with suppliers - addressing sustainability matters in the procurement process</b> The Group sources goods and services from a wide range of suppliers. Identifying and managing potential human rights and environmental risks within the supply chain is important. To address these risks, the Group is establishing a supplier management programme.</div></div>	Own operations	Potential

Impact materiality 

+

 Positive

-

 Negative

”

By embedding ethical and sustainable practices into our operations, we are better positioned to navigate complex regulatory landscapes, manage risks effectively, and build long-term stability and trust with stakeholders.



## G1 Corporate culture and corruption and bribery

## Material impacts, risks and opportunities management

SBM-3      G1-GOV1

The role of the Group's governance bodies related to business conduct is described in the section General information.

## Policies, Actions and resources, Metrics and targets

## Group Code of Ethics

PPF Group, the former ultimate parent and current significant minority shareholder, has adopted a PPF Group Corporate Compliance Programme, which was adopted by the Group. This programme outlines the core principles and rules of conduct for both the Group's employees and external associates, such as contractors and business partners. It also establishes mechanisms for compliance monitoring and corrective actions when deficiencies, unethical behaviour, or illegal conduct are identified.

A key component of the Group Corporate Compliance Programme is the Group Code of Ethics, which addresses, among other topics, the protection of human rights and the prevention of corruption in all Group activities. The programme is implemented across all Group companies through their internal policies and processes. In situations such as applying for public contracts, grants, subsidies, or participating in public tenders or auctions, companies apply strict internal rules to prevent bribery and corruption. Both employees and external associates are expected to avoid any behaviour that could be perceived as seeking undue advantage or exerting improper influence.

## G1-1

All employees and external associates are required to report, without undue delay and in line with established organizational rules, any attempt by third parties to improperly influence their actions, attitudes, or decisions within the Company. Such attempts include any conduct that is contrary to good morals or the principles of fair business conduct. Reports should be made to a manager, the relevant department or body (or a member thereof), or an authorized person. Similarly, if an employee or external associate becomes aware of a potential or actual corrupt act, they are obligated to report it immediately through the same channels.

e& PPF Telecom Group has a zero-tolerance approach towards corruption and rejects the offering or acceptance of any unjustified advantage or benefit, regardless of form or method.

The Group's Code of Ethics also includes strict measures to prevent money laundering and the financing of terrorism. We firmly oppose any activities designed to conceal the origin of illegal funds, misrepresent ownership, or otherwise make such funds appear legitimate.

In 2024, there were no convictions or fines imposed for violations of anti-corruption and anti-bribery laws.

## G1-2

G1-3

G1-4

## Ethics Hotline and protection of whistle-blowers

All activities carried out by the Group or its subsidiaries must strictly adhere to relevant laws and regulations. Subsidiaries are expected to uphold the principles and standards outlined in the Group Code of Ethics, ensuring the integrity, reputation, and good standing of the Group remain uncompromised.

Each subsidiary of the Group has established an independent whistleblower reporting mechanism to maintain ethical standards and promote transparency. These mechanisms generally comprise dedicated ethics email addresses and/or web-based reporting platforms, which are accessible through the subsidiary's respective websites and are available in local languages to ensure accessibility and compliance.

The Group is committed to ensuring that every complaint from an employee or external associate is addressed, regardless of its nature. External stakeholders are also able to raise concerns or complaints through various channels made available by the Group. All subsidiaries have established policies and procedures in line with local legal requirements, in accordance with national laws transposing Directive (EU) 2019/1937 or other equivalent whistleblower protection legislation.

The Ethics Hotline is an integral part of the Group's Corporate Compliance Programme. It serves as one of the channels for detecting unethical, improper, unlawful, or otherwise inappropriate conduct that is inconsistent with the Group Code of Ethics. The notifications can be submitted anonymously if the complainant wishes so. Complaints are handled by designated local teams or responsible individuals within each subsidiary. Complainants are promptly informed of their rights and provided with guidance on available options should they be dissatisfied with the resolution process.

Under the Corporate Compliance Programme, proper onboarding and professional training for both employees and externals is ensured, including participation in training sessions organised by Group entities to prevent breaches of the principles and rules set out in the Group Code of Ethics.

The Group has in place global and regional compliance programmes and trainings, including business conduct, anti-corruption, and anti-bribery. These programmes are updated regularly and cover all of the Group's own workforce. Fundamental training is conducted as part of the onboarding process, and additional training is performed on a yearly basis, addressing areas relevant to the Group.

We have not identified specific functions at risk of corruption and bribery, and as such, all our employees receive the same level of training.

The most senior level accountable for the implementation of the Corporate Compliance Programme, including business conduct and anti-corruption and anti-bribery, is our Group Chief Legal and Regulatory Officer. The Corporate Compliance Programmes are made available to our employees and externals via internal platforms, while the Code of Ethics is available to everybody through our website.

We do not set specific targets for impacts, risks, and opportunities related to governance. However, in accordance with our policies, we aim to conduct business ethically, legally, transparently, and with integrity. We continually assess metrics to enhance our governance impact.



**Under the Corporate Compliance Programme, proper onboarding and professional training for both employees and externals is ensured.**

# G1 Management of relationships with suppliers

Material impacts, risks and opportunities management	Policies, Actions and resources, Metrics and targets
SBM-3G1-GOV1	G1-1G1-2G1-3G1-4

The Group segments operate within national and international supply chains for telecommunications equipment, software, and network construction materials. The Group pays close attention to the selection of its suppliers, choosing them from the world's most reputable providers and requiring certificates of quality and compliance with all standards and regulations relevant to the import and operation of these products.

In 2024, the Group further strengthened its commitment to high standards of social and environmental sustainability and business ethics throughout its value chain by adopting a formal Supplier Code of Conduct. The Code establishes the minimum behaviours, standards, and practices that the Group expects and requires its suppliers to uphold.

To effectively mitigate risks and enhance sustainability performance, we collaborate with external partners to analyse and manage sustainability data from our suppliers. Our focus is on assessing suppliers' capabilities to identify and mitigate risks related to human rights and the environment. Additionally, we aim to evaluate the impact of our Group on suppliers' sustainability practices and our ability to influence those practices.



The Group pays close attention to the selection of its suppliers, choosing them from the world's most reputable providers and requiring certificates of quality and compliance with all standards and regulations relevant to the import and operation of these products.

[Content](#)

## Case study



# e& PPF Telecom Group is enhancing ESG risk management through supplier engagement

In 2024, e& PPF Telecom Group launched a group-wide programme to strengthen ESG risk management across its supply chain by adopting the IntegrityNext platform. This marked a key milestone in embedding sustainability into procurement workflows and aligning with evolving European regulations, such as the CSRD and the Corporate Sustainability Due Diligence Directive (CSDDD), as well as international standards including the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

The programme spans all four operating countries and covers over 6,000 suppliers. Using IntegrityNext, the Group assesses ESG performance across critical domains, including human rights, health and safety, anti-bribery, environmental protection, carbon footprint, and supply chain responsibility, applying a prioritisation model tailored to the Group's strategic goals.

Built on a five-phase methodology, the process begins with identifying and prioritising ESG risks based on geographic and sector-specific exposure. IntegrityNext's heatmaps and scoring models support the segmentation of suppliers by risk level and relevance. More than 1,000 suppliers were invited to complete detailed assessments aligned with their risk profiles. These serve as the foundation for ongoing engagement, follow-up actions, and continuous improvement. Follow-up actions are managed via a digital action library, while automated dashboards provide real-time oversight and support local teams in tracking progress.

This multi-year initiative is jointly led by procurement and sustainability teams at both central and local levels. Regular progress reviews, multilingual support, and close collaboration with suppliers have been critical to its success.

While the process is still evolving, the Group has already established a solid foundation for improved ESG risk awareness and more consistent supplier accountability. By embedding sustainability into procurement operations and engaging suppliers on material issues, the Group is steadily building resilience and strengthening its readiness for future regulatory requirements.



Improving sustainability in our supply chain is not a one-time task, it's a continuous journey we're taking together with our suppliers. Ongoing education and support are essential to this process, enabling both our colleagues and partners to upskill and engage meaningfully on ESG issues. The progress we've made so far shows that through close collaboration and growing supplier awareness, we can drive positive change.

**Michal Merunka**  
Procurement manager

Chapter



# Indexes



# Disclosure requirements in ESRS covered by sustainability statements

The following table provides an overview of the identified significant topics and disclosure requirements that are part of this report, along with a reference to a specific page. The Group has omitted all disclosure requirements in topic standards E2, E3, E4, S2 and S3 as they are below its materiality threshold.

## Disclosure requirements in ESRS covered by sustainability statements

Disclosure requirement	Description	Page
<b>ESRS 2</b>	<b>General disclosures</b>	
[BP-1]	General basis for preparation of sustainability statements	<a href="#">13</a>
[BP-2]	Disclosures in relation to specific circumstances	<a href="#">14</a>
[GOV-1]	Role of the administrative, management and supervisory bodies	<a href="#">16</a>
[GOV-2]	Information provided to and sustainability matters addressed by administrative, management and supervisory bodies	<a href="#">16</a>
[GOV-3]	Integration of sustainability-related performance in incentive schemes	<a href="#">16</a>
[GOV-4]	Statement on due diligence	<a href="#">22</a>
[GOV-5]	Risk management and internal controls over sustainability reporting	<a href="#">20</a>
[SBM-1]	Strategy, business model and value chain	<a href="#">23</a>
[SBM-2]	Interests and views of stakeholders - general	<a href="#">27</a>
[SBM-3]	Material impacts, risks and opportunities and their interaction with strategy and business model	<a href="#">35</a>
[IRO-1]	Description of processes to identify and assess material impacts, risks and opportunities	<a href="#">31</a>
[IRO-2]	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	<a href="#">121</a>



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Disclosure requirement	Description	Page
<b>ESRS E1</b>	<b>Climate change</b>	
[GOV-3]	Integration of sustainability-related performance in incentive schemes	<a href="#">20</a>
[SBM-3]	Material impacts, risks and opportunities and their interaction with strategy and business model	<a href="#">42</a>
[IRO-1]	Description of processes to identify and assess material climate-related impacts, risks and opportunities	<a href="#">32</a>
[E1-1]	Transition plan for climate change mitigation	<a href="#">46</a>
[E1-2]	Policies related to climate change mitigation and adaptation	<a href="#">48</a>
[E1-3]	Actions and resources in relation to climate change policies	<a href="#">48</a>
[E1-4]	Targets related to climate change mitigation and adaptation	<a href="#">49</a>
[E1-5]	Energy consumption and mix	<a href="#">50</a>
[E1-6]	Gross Scopes 1, 2, 3 and Total GHG emissions	<a href="#">53</a>
[E1-9]	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	<a href="#">33</a>
<b>ESRS E5</b>	<b>Circular economy</b>	
[IRO-1]	Description of processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	<a href="#">31</a>
[E5-1]	Policies related to resource use and circular economy	<a href="#">70</a>
[E5-2]	Actions and resources related to resource use and circular economy	<a href="#">71</a>
[E5-3]	Targets related to resource use and circular economy	<a href="#">73</a>
[E5-4]	Resource inflows	<a href="#">71</a>
[E5-5]	Resource outflows	<a href="#">71</a>

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Disclosure requirement	Description	Page
<b>ESRS S1</b>	<b>Own workforce</b>	
[S1-SBM3]	Material impacts, risks and opportunities and their interaction with strategy and business model	<a href="#">77</a>
[S1-1]	Policies related to own workforce	<a href="#">77</a>
[S1-2]	Processes for engaging with own workers and workers' representatives about impacts	<a href="#">81</a>
[S1-3]	Processes to remediate negative impacts and channels for own workforce to raise concerns	<a href="#">81</a>
[S1-4]	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	<a href="#">82</a>
[S1-5]	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	<a href="#">83</a>
[S1-6]	Characteristics of undertaking's employees	<a href="#">77</a>
[S1-8]	Collective bargaining coverage and social dialogue	<a href="#">83</a>
[S1-9]	Diversity metrics	<a href="#">91</a>
[S1-10]	Adequate wages	<a href="#">90</a>
[S1-11]	Social protection	<a href="#">85</a>
[S1-12]	Persons with disabilities	<a href="#">81</a>
[S1-13]	Training and skills development metrics	<a href="#">95</a>
[S1-14]	Health and safety metrics	<a href="#">88</a>
[S1-15]	Work-life balance metrics	<a href="#">85</a>
[S1-16]	Remuneration metrics (pay gap and total remuneration) - general	<a href="#">90</a>
[S1-17]	Incidents, complaints and severe human rights impacts - general	<a href="#">96</a>

Disclosure requirement	Description	Page
<b>ESRS S4</b>	<b>Consumers and end-users</b>	
[S4-SBM3]	Material impacts, risks and opportunities and their interaction with strategy and business model	<a href="#">98</a>
[S4-1]	Policies related to consumers and end-users	<a href="#">101</a>
[S4-2]	Processes for engaging with consumers and end-users about impacts	<a href="#">102</a>
[S4-3]	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	<a href="#">102</a>
[S4-4]	Taking action on material impacts on consumers and end- users, and approaches to managing material risks and pursuing material opportunities related to consumers, and end-users, and effectiveness of those actions	<a href="#">103</a>
[S4-5]	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (consumers and end-users)	<a href="#">104</a>

Disclosure requirement	Description	Page
<b>ESRS G1</b>	<b>Business conduct</b>	
[GOV-1]	Role of administrative, supervisory and management bodies	<a href="#">16</a>
[IRO-1]	Description of processes to identify and assess material impacts, risks and opportunities	<a href="#">31</a>
[G1-1]	Business conduct policies and corporate culture	<a href="#">116</a>
[G1-2]	Management of relationships with suppliers	<a href="#">116</a>
[G1-3]	Prevention and detection of corruption or bribery	<a href="#">116</a>
[G1-4]	Incidents of corruption or bribery	<a href="#">116</a>

# Data points derived from other EU legislation

The table below includes all data that is based on other EU legislation as set out in Annex B of ESRS 2 and indicates where this data can be found in this report. Data points that were not relevant to this report are marked as 'not material' (N/M) or 'not available' (N/A).

Disclosure requirement	Data point	Sustainability statements / Appendix	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Location/ Page
<b>ESRS 2</b>							
ESRS 2 GOV-1	21 (d)	Board's gender diversity	×		×		<a href="#">16</a>
ESRS 2 GOV-1	21 (e)	Percentage of board members who are independent			×		<a href="#">16</a>
ESRS 2 GOV-4	30	Statement on due diligence	×				<a href="#">22</a>
ESRS 2 SBM-1	40 (d) i	Involvement in activities related to fossil fuel activities	×	×	×		N/M
ESRS 2 SBM-1	40 (d) ii	Involvement in activities related to chemical production	×		×		N/M
ESRS 2 SBM-1	40 (d) iii	Involvement in activities related to controversial weapons	×		×		N/M
ESRS 2 SBM-1	40 (d) iv	Involvement in activities related to cultivation and production of tobacco			×		N/M
<b>ESRS E1</b>							
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050				×	<a href="#">46</a>
ESRS E1-1	16 (g)	Undertakings excluded from Paris-aligned Benchmarks		×	×		<a href="#">46</a>
ESRS E1-4	34	GHG emission reduction targets	×	×	×		<a href="#">48</a>
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	×				N/M

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Disclosure requirement	Data point	Sustainability statements / Appendix	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Location/ Page
ESRS E1-5	37	Energy consumption and mix	×				<a href="#">50</a>
ESRS E1-5	40-43	Energy intensity associated with activities in high climate impact sectors	×				N/M
ESRS E1-6	44	Gross Scope 1, 2, 3 and Total GHG emissions	×	×	×		<a href="#">53</a>
ESRS E1-6	53-55	Gross GHG emissions intensity	×	×	×		<a href="#">51</a>
ESRS E1-7	56	GHG removals and carbon credits				×	N/A
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks			×		N/A
ESRS E1-9	66 (a); 66 (c)	Disaggregation of monetary amounts by acute and chronic physical risk; Location of significant assets at material physical risk		×			N/A
ESRS E1-9	67 (c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes		×			N/A
ESRS E1-9	69	Degree of exposure of the portfolio to climate-related opportunities			×		N/A
<b>ESRS E2</b>							
ESRS E2-4	28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation emitted to air, water and soil	×				N/M
<b>ESRS E3</b>							
ESRS E3-1	9	Water and marine resources	×				N/M
ESRS E3-1	13	Dedicated policy	×				N/M
ESRS E3-1	14	Sustainable oceans and seas	×				N/M
ESRS E3-4	28 (c)	Total water recycled and reused	×				N/M
ESRS E3-4	29	Total water consumption in m3 per net revenue on own operations	×				N/M

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Disclosure requirement	Data point	Sustainability statements / Appendix	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Location/ Page
<b>ESRS E4</b>							
ESRS 2 - SBM 3 - E4	16 (a) i	List of material sites in its own operations, including sites under its operational contro	×				N/A
ESRS 2 - SBM 3 - E4	16 (b)	Material negative impacts with regards to land degradation, desertification or soil sealing	×				N/M
ESRS 2 - SBM 3 - E4	16 (c)	Operations that affect threatened species	×				N/M
ESRS E4-2	24 (c)	Sustainable oceans / seas practices or policies	×				N/M
ESRS E4-2	24 (d)	Policies to address deforestation	×				N/M
<b>ESRS E5</b>							
ESRS E5-5	37 (d)	Non-recycled waste	×				<a href="#">72</a>
ESRS E5-5	39	Hazardous waste and radioactive waste	×				<a href="#">72</a>
<b>ESRS S1</b>							
ESRS 2 - SBM 3 - S1	14 (f)	Risk of incidents of forced labour	×				<a href="#">77</a>
ESRS 2 - SBM 3 - S1	14 (g)	Risk of incidents of child labour	×				<a href="#">77</a>
ESRS S1-1	20	Human rights policy commitments	×				<a href="#">81</a>
ESRS S1-1	21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			×		<a href="#">83</a>
ESRS S1-1	22	Processes and measures for preventing trafficking in human beings	×				N/M
ESRS S1-1	23	Workplace accident prevention policy or management system	×				<a href="#">87</a>
ESRS S1-3	32 (c)	Grievance/complaints handling mechanisms	×				<a href="#">96</a>
ESRS S1-14	88 (b) and (c)	Number of fatalities and number and rate of work-related accidents					<a href="#">88</a>
ESRS S1-14	88 (e)	Number of days lost to injuries, accidents, fatalities or illness	×		×		<a href="#">88</a>



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Disclosure requirement	Data point	Sustainability statements / Appendix	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Location/ Page
ESRS S1-16	97 (a)	Unadjusted gender pay gap	×				<a href="#">90</a>
ESRS S1-16	97 (b)	Excessive CEO pay ratio	×		×		N/M
ESRS S1-17	103 (a)	Incidents of discrimination	×				<a href="#">96</a>
ESRS S1-17	104 (a)	Non-respect of UNGPs on Business and Human Rights and OECD	×		×		<a href="#">81</a>
<b>ESRS S2</b>							
ESRS 2 - SBM 3 - S2	11 (b)	Significant risk of child labour or forced labour in the value chain	×				N/M
ESRS S2-1	17	Human rights policy commitments					N/M
ESRS S2-1	18	Policies related to value chain workers	×				N/M
ESRS S2-1	19	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	×		×		N/M
ESRS S2-1	19	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			×		N/M
ESRS S2-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	×				N/M
<b>ESRS S3</b>							
ESRS S3-1	16	Human rights policy commitments	×				N/M
ESRS S3-1	17	Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines	×		×		N/M
ESRS S3-4	36	Human rights issues and incidents	×				N/M

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Disclosure requirement	Data point	Sustainability statements / Appendix	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Location/ Page
<b>ESRS S4</b>							
ESRS S4-1	16	Policies related to consumers and end-users	×				<a href="#">101</a>
ESRS S4-1	17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	×	×			<a href="#">101</a>
ESRS S4-4	35	Human rights issues and incidents	×				<a href="#">102</a>
<b>ESRS G1</b>							
ESRS G1-1	10 (b)	United Nations Convention against Corruption	×				<a href="#">116</a>
ESRS G1-1	10 (d)	Protection of whistle-blowers	×				<a href="#">116</a>
ESRS G1-4	24 (a)	Fines for violation of anti-corruption and anti-bribery laws	×		×		<a href="#">116</a>
ESRS G1-4	24 (b)	Standards of anti- corruption and anti-bribery	×				<a href="#">116</a>