

# Sustainability Report

2021



**Yettel.**

**Bulgaria**

# Table of contents

|   |           |   |           |
|---|-----------|---|-----------|
| <b>Foreword</b> .....   | <b>3</b>  | <b>4. Accelerating technology for a sustainable future</b> .....                                    | <b>57</b> |
| <b>About the report</b> .....   | <b>5</b>  | 4.1. Tackling the digital divide by providing reliable connections to all .....                     | 58        |
| <b>About Yettel</b> .....   | <b>6</b>  | 4.2. Promoting digital education and awareness .....  | 62        |
| <b>1. Sustainability at Yettel</b> .....                              | <b>8</b>  | 4.3. Developing smart solutions that benefit people<br>and the environment, and minimise harm ..... | 64        |
| 1.1. Our values .....   | 8         | 4.4. Safeguarding cyber security and personal data .....  | 66        |
| 1.2. Our strategy .....   | 9         | <b>5. Acting with integrity and transparency</b> .....  | <b>68</b> |
| 1.3. How we govern sustainability .....                               | 17        | 5.1. Corporate governance, business ethics, regulatory compliance .....                             | 68        |
| 1.4. Stakeholder engagement .....                                     | 19        | 5.2. Management of customer privacy and data protection .....                                       | 71        |
| 1.5. Material topics and materiality matrix .....                     | 21        | <b>6. Additional company information</b> .....  | <b>72</b> |
| 1.6. Contributing to the UN Sustainable Development Goals .....       | 23        | 6.1. Yettel Bulgair's value chain .....   | 74        |
| <b>2. Reducing our environmental footprint</b> .....                  | <b>25</b> | 6.2. Governance structure and composition .....   | 75        |
| 2.1. Energy, greenhouse gases and other air polluting emissions ..... | 26        | 6.3. Employees .....  | 76        |
| 2.2. Input materials and waste .....                                  | 32        | 6.4. Economic performance .....   | 78        |
| <b>3. Putting people at the centre of everything we do</b> .....      | <b>37</b> | <b>7. GRI index table</b> .....   | <b>80</b> |
| 3.1. Health and safety .....  | 38        |   |           |
| 3.1.1. Occupational health and safety and wellbeing .....             | 39        |   |           |
| 3.1.2. Business continuity and emergency preparedness .....           | 41        |   |           |
| 3.2. Employment and job retention .....                               | 42        |   |           |
| 3.3. Employee training and development .....                          | 49        |   |           |
| 3.4. Mobile telecommunication technologies and public health .....    | 53        |   |           |
| 3.5. Charitable and social investments .....                          | 55        |   |           |



## Foreword

It gives me great pleasure to share our 2021 Sustainability Report and Sustainability Strategy 2028. This year the Sustainability Report is prepared according to the recognized GRI 2021 reporting framework as our aim is to meet the highest transparency standards.

The Strategy sets out our long-term commitments to run a sustainable business in balance with nature and inclusion for all. I am proud to say that many of the themes in this strategy have been embedded within our corporate culture for years and have created significant value for the company and its stakeholders.

In a world that is experiencing increasing economic, social and environmental pressures, we need to ensure that resilience remains our guiding principle. This means ensuring that our business model remains flexible, responsive and, most importantly, sustainable in the long term. What the last few years have taught us is that companies have a significant role towards preventing environmental and social risks around us. We all have the responsibility to take action and the private sector has a crucial role to play in driving the transition to a better, cleaner and more inclusive future.

I firmly believe that the key to generating long-term value for all our stakeholders is to act responsibly and with integrity across every aspect of our business. This will remain the foundation of our decision-making and strategy going forward. We aim to be a force for good and continue to strengthen the positive impacts on what matters the most to us - our planet and its people.

Not only do we want to show our dedication to the Bulgarian society and the world by becoming more sustainable, but we also want to show progress by committing to report annually on the targets set in this Report. Yettel's Sustainability Strategy will guide our approach to environmentally sustainable practices, empowerment of our people, digitalisation of society, promoting a culture of integrity, transparency and accountability.



**Jason King**  
Chief Executive Officer

## Our values in action

In recent years we have undertaken, and been recognised for, numerous market leading initiatives in Bulgaria relating to both people and the environment.

Our people are the beating heart of Yettel. We strongly believe that promoting an inclusive culture, where employees feel valued for their diversity and contributions, is vital for our continued success. This is our guiding principle in all the employee-dedicated programmes and initiatives. Because we believe that with us people can be themselves and make an impact.

Our award-winning Side by Side programme, now in its eight edition, continues to open up professional opportunities for people with disabilities across the country.

To date, our Digital Scouts initiative (part of our Safer Internet programme) has helped to inform and educate over 56,000 young people in Bulgaria about the dangers of online life and how to protect themselves.

In the first half of 2022 we mapped our carbon footprint and are in the process of preparing strategies to reduce emissions across our operations. Soon we will set clear reduction targets according to the Science-Based Targets initiative. We have revamped our Device Recycling programme through which we prevented thousands of devices from going to landfill.

Our Paperless Office programme and our employee-driven afforestation programme, launched several years ago, were publicly recognised for their impact. In 2021 Yettel was awarded The Greenest Company in the telecommunication sector for the fourth time.

Our investment in high-speed networks continues to connect people and businesses and empower the Bulgarian economy. 2021 marked the commercial launch of our 5G network and, since then, it has been rapidly growing its coverage. Yettel was awarded the 'Best in Test' for network quality five times in a row by Umlaut and has achieved the highest levels of customer satisfaction across all channels.

## Paving the way for future impact

As pleased as I am with these accomplishments, we have a lot more to do. To solidify our commitment, we are setting out this five-year Sustainability Strategy, which goes together with our wider business plan and focuses on four key areas where we believe we can have the biggest impact.



**Reducing our environmental footprint**



**Putting people at the centre of everything we do**



**Accelerating technology for a sustainable future**



**Acting with integrity and transparency**

Our specific targets and ambitions per pillar are unfolded further in the pages to come.

Thank you for reading this Report. Join us on our journey towards a more inclusive future, in which environment and people thrive together, supported by the power of connectivity.

**Jason King**  
Chief Executive Officer  
Yettel Bulgaria

## About the Report

We are pleased to present to you the first Sustainability Report for Yettel Bulgaria. It outlines how we approach sustainability within our enterprise and the impact that our business operations have on the economy, environment and people. It also contains baseline social and environmental data about Yettel Bulgaria, as well as our new Sustainability Strategy that will guide our efforts and resources to the areas where we believe we can have the biggest impact.

Our sustainability strategy goes hand in hand with our success principles and is closely integrated into our business plan. Although we changed our name at the beginning of 2022, the strategic focus remains the same. As a brand that puts people first, Yettel brings technology and connectivity in one place with a simple mission: helping customers reach balance in their lives. As one of the biggest telecommunications companies in Bulgaria, we plan to continue growing and developing the Bulgarian market through the use of next generation technologies that focus on making a positive impact. These aims have guided the sustainable targets we have set to achieve until 2028.

At the same time, Yettel Bulgaria is not alone in its path toward sustainability governance. As part of the PPF Telecom Group, our company has been working closely with the members of the group to define sustainability targets and ensure coherence both in direction and in terms of our reporting. This Report is therefore inspired by the PPF Group's first sustainability report which reflects the results of 5 operating telecoms and network providers in Central and Eastern Europe, one of which is Yettel Bulgaria.

The data and information disclosed in this Report is structured and prepared in accordance with one of the most acknowledged and widely-used non-financial reporting frameworks - the Global Reporting Initiative - version 2021. In addition, we have aligned our strategy with the United Nations Sustainable Development Goals (SDGs), and we have calculated and analysed our emissions for scope 1, 2, 3 according to the GHG Protocol. The baseline data reflects the period 1 January 2021 - 31 December 2021 and, where applicable, provides comparison with calendar year 2020. It reflects information across our own operations - including our stores, warehouse, the central administrative building and repair centre of Yettel in Bulgaria, and our supply chain. These results offered a foundation for the sustainability targets which were adopted as of July 2022.

As you read the Report, please bear in mind that this is our first attempt to collect, analyse, describe and present our work across the multiple areas of sustainability across our operations. This Report includes sections which, in the future, will benefit from improvement in data quality and quantity. We will be improving our transparency over the coming years, because we believe that transparency builds accountability.

We will be happy to answer your questions about this Report at: [esg@yettel.bg](mailto:esg@yettel.bg)



## About Yettel

### Yettel in Bulgaria

**Over 180 stores**  
**105 locations**  
**3 million customers**  
**99% population covered**

Yettel Bulgaria EAD (legal name in 2021: Telenor Bulgaria) is the largest provider of mobile telecommunications in Bulgaria by service revenue. Within its over 20-year history, Yettel Bulgaria has always strived to enrich people's lives by promoting long-term prosperity through use of the latest technologies. In 2002, when mobile internet was more of a fantasy, the company (back then branded "Globul") was the first to provide GPRS services. In 2004, it was the first operator with full coverage of the Sofia metro, offered the first integrated telecommunication solution MVPN, uniting mobile and fixed telecommunications, and was the first to introduce a service with two mobile numbers in one. In 2015 (as "Telenor"), it launched the first commercial 4G network in Bulgaria and in June 2021, it introduced 5G experience to its customers. Yettel therefore builds upon a long legacy of continuous innovation within the Bulgarian market, with a revived focus on the promotion of sustainable practices among its key stakeholders.

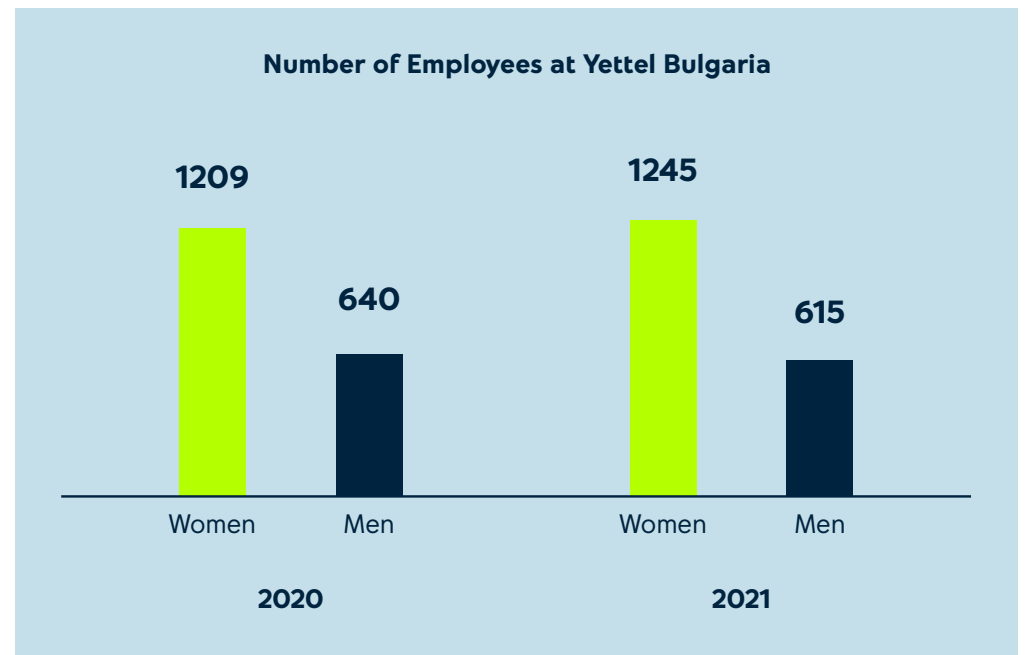
Yettel connects over 3 million customers in Bulgaria to people, devices and businesses, and ensures the coverage of the mobile network for over 99% of the Bulgarian population. Currently, our proposition comprises mobile voice, data and text messaging, fixed broadband, fixed voice lines, and corporate data networks. In addition to our headquarters, warehouse, and repair centre for mobile devices in Sofia, Yettel Bulgaria operates over 180 stores in 105 locations in Bulgaria. In our stores, clients are able to pay their bills, purchase devices and accessories from different brands, as well as recycle their old devices.

The brand Yettel was launched on 1 March 2022, the company operated on the Bulgarian market previously as Telenor since October 2014 when it was officially rebranded after the acquisition by Telenor ASA in 2013.

Since PPF Telecom Group's acquisition of Telenor Group's Central and Eastern European (CEE) division in 2018, the company prepared for a major rebranding that affected all our business – the logo, the website, the shops and associated activities, as well as the promotion of new products and services.



Furthermore, in 2020, the infrastructure and retail activities of the PPF Telecom operators in Bulgaria, Hungary, and Serbia were separated and the regional CETIN group was established. CETIN Bulgaria provides the network for Yettel's connectivity services. After the separation, Yettel directed its efforts on improving the consumer and retail propositions and services development and CETIN – on expanding its telecommunications infrastructure services.



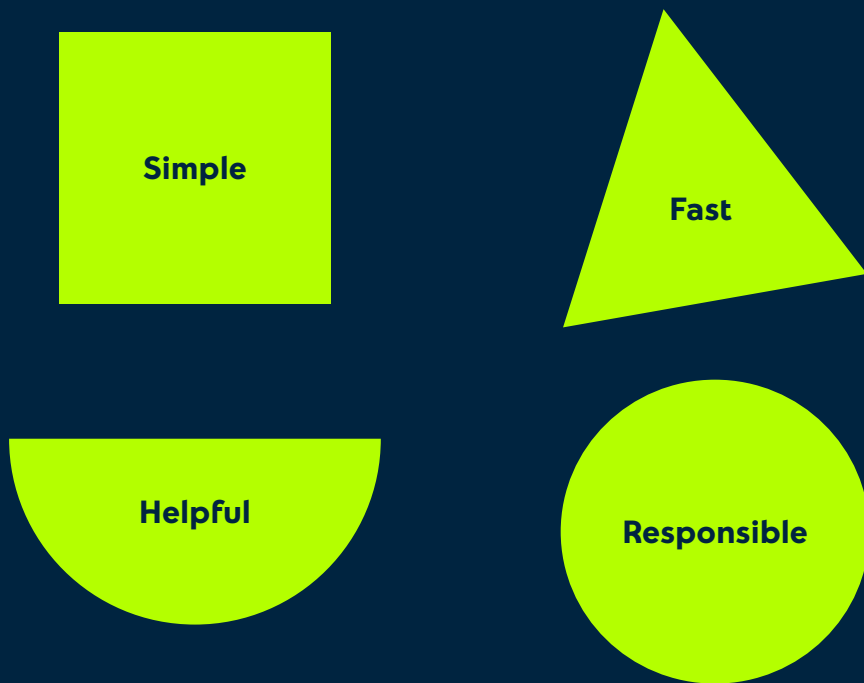
# Map of Yettel Bulgaira's retail network



# 1. Sustainability at Yettel

## 1.1. Our values

At Yettel, we are always focused on providing products and services that help our customers achieve balance in life. We want the same for our people, and we know that our focus, commitment, and investment in our work culture is what truly makes the difference. As our people develop and enjoy Yettel, innovation and value flow through to our customers. Indeed, by embracing our values of being **simple**, **helpful**, **fast** and **responsible**, we can contribute to a connected and engaged society, and a life in balance for customers, employees and other stakeholders across our value chain. Our fourth value, 'Responsible', embeds the notion of sustainable development at Yettel – we want to operate a business which is in balance with nature and people. We ensure our technology is safe and reliable with deep care and consideration about the environmental effects and social sustainability in mind.



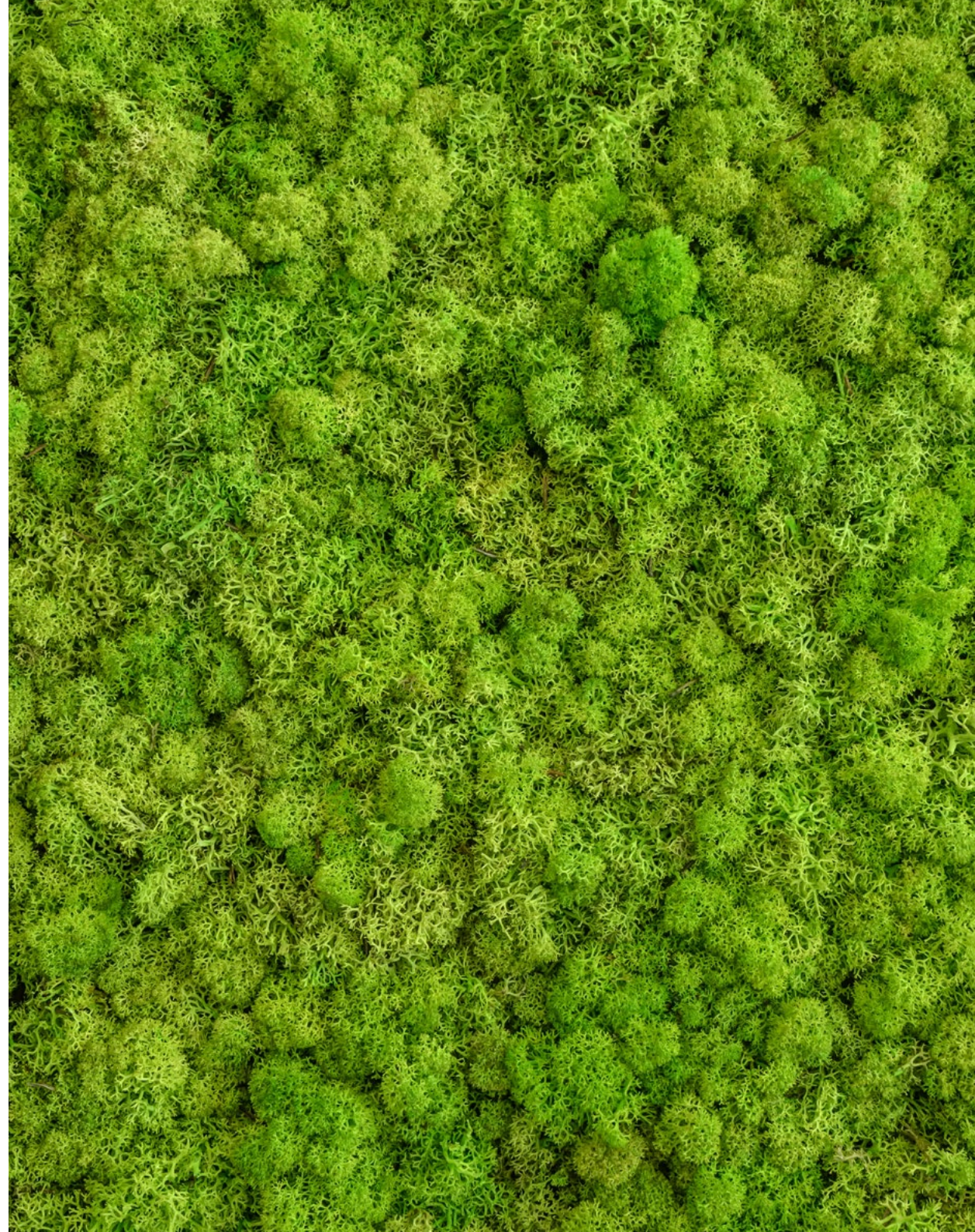


## 1.2. Our Sustainability Strategy

Our Sustainability Strategy is a product of a large collaboration between Yettel and the other telecommunication companies in the PPF Telecom Group and PPF's management itself. The consultation began in 2021, when a steering group was established to discuss the levels of ambition across PPF's value chain, comprised of all regional CEOs, including Jason King, CEO of Yettel Bulgaria, and Marek Sláčík, Executive Director CEE at PPF Telecom Group. The steering group was tasked with first discussing and approving the overarching material topics for PPF Telecom Group and its local subsidiaries, and subsequently the targets connected with them. Yettel Bulgaria was an active participant in this process through recommending Specific, Measurable, Achievable, Relevant and Time-Bound (SMART) targets that take into account our company baselines. We received support and encouragement from the PPF Telecom Group to continue with the target setting process.

At the local level, the establishment of SMART targets took appropriate coordination from the Sustainability team. We created 6 expert working groups, which worked on the baselines, prepared the targets, plans and required budgets, and presented them to the chiefs of their respective departments. By involving more than 30 of our colleagues, we wanted to ensure that we build ownership of the sustainability goals within our organisation. We kept alignment with the direction of the PPF Telecom Group in order to build on synergies, we focused on our strengths and utilised the best of our know-how, to ensure that our targets are feasible and build momentum for further action. Once verified by the senior management, the targets were approved by our executive management team, including our CEO. As a result of this process, our employees are better aware of our vision and ambition to operate a responsible business and our management has a strong involvement in the adoption of our strategy.

The following pages outline the sustainability components of our strategy, their background and our rationale for integrating sustainability factors into the way we govern our business. Our goals reflect the areas where we believe we can make the biggest impact and our ambition to engage as many employees as possible and clients on this journey towards becoming a more sustainable company.



# Our Sustainability Strategy 2028

**Environment**

- Reduce our CO<sub>2</sub> emissions\*** in Scope 1, 2, 3
- Collect 127,000 kg e-waste** and prevent it from going to landfill
- 40% less packaging waste** in our operations

**Tech for sustainable future**

- 5G connectivity available for at least 85% of the Bulgarian population** by 2026
- 1 new solution every year**, supporting businesses and society in Bulgaria towards sustainability
- Engage 40,000 children** on online safety and **equip 10,000 people** with digital skills every year
- Resilient cybersecurity & personal data protection**

**People**

- 40% women in our technology roles**
- At least 1,000 volunteering hours** spent by our employees annually helping others and the planet
- 2,500,000 people reached out** on sustainable living every year

**Acting with integrity**

- Train 100% of senior management & 50% employees** on sustainability by end of 2023
- Develop a supplier engagement plan** on sustainability by the end of 2024

## Reducing our environmental footprint

**3** GOOD HEALTH AND WELL-BEING



**6** CLEAN WATER AND SANITATION



**7** AFFORDABLE AND CLEAN ENERGY



**8** DECENT WORK AND ECONOMIC GROWTH



**12** RESPONSIBLE CONSUMPTION AND PRODUCTION



**13** CLIMATE ACTION



**14** LIFE BELOW WATER



**15** LIFE ON LAND



We aim to contribute to maintaining a healthy and undamaged environment for current and future generations. We will incorporate a policy of reducing the environmental impact of our operations, throughout the value chain, whilst leveraging new technologies to facilitate environmental transformation. We will mainly focus on reducing energy consumption, fuel savings and sourcing renewable energy, which will lead to a reduction in the emission of greenhouse gases and other harmful substances into the atmosphere. Managing input materials and waste is another important area, through which we will contribute to the improvement of the environment.

### Reducing emissions intensity and achieving carbon neutrality by 2050 or sooner

To achieve the Group's ultimate goal of carbon neutrality in accordance with the Paris Agreement to limit global warming to 1.5°C above pre-industrial levels, we will be measuring, tracking and progressively reducing our greenhouse gas emissions. PPF Telecom Group has publicly committed to setting GHG emission reduction targets aligned with the Science Based Targets initiative's target-setting criteria. We will use the next 12-24 months to prepare a comprehensive programme to enable us to reduce GHG emissions.

### Supporting a circular economy

At Yettel, we want to reduce the waste we generate both within our own operations (offices, warehouse, repair centre) and from our downstream value chain (retail shops) by ensuring that more of it is collected, repaired, reused or recycled, thus redirecting it from landfill.

Directing our efforts to where we can make the most impact, we plan to focus on the collection of e-waste which is highly polluting to the soil and the environment. We already have existing programmes for the collection of electronic equipment from clients.

**We plan to build upon these efforts by collecting at least 127,000 kg electronic waste by 2028.** Compared to our baseline year 2021, this represents a 30% increase of e-waste, which we will prevent from going to landfill through e-waste programmes designed for both our clients and our employees.

In addition, we plan to substantially reduce the packaging used for safer transportation of the mobile devices and accessories we offer. **We want to reduce the packaging waste generated for transportation purposes in our own operations with 40% by 2028.** As we believe that the biggest impact is achieved through partnerships, we will also add the topic of packaging as part of our supplier engagement, in order to encourage our suppliers to work towards more sustainable packaging practices.



## Putting people at the centre of everything we do

1 NO POVERTY



2 ZERO HUNGER



3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



5 GENDER EQUALITY



8 DECENT WORK AND ECONOMIC GROWTH



10 REDUCED INEQUALITIES



16 PEACE, JUSTICE AND STRONG INSTITUTIONS



### Creating future leaders

We aim to empower our colleagues by creating an equitable, diverse and inclusive working environment. We know that a diverse workforce contributes to better business results and that is why we aim to maintain a healthy male/female balance among our employees at each level and position. We understand that women in technology are often underrepresented, and that there may be invisible barriers and glass ceilings, which discourage women from applying and progressing in technology positions. Our aim is to bridge this gap by creating new inclusion and diversity initiatives that will build platforms for women to engage with this field.

**We are driven by our target to reach 40% of female representation in technology roles by 2028.**



### Our employees

Serving the communities that rely upon us goes to the heart of our business. We want to show that we are a responsible partner by giving our employees a chance to become volunteers for a day and demonstrate the values we cultivate at Yettel. The company will partner with organisations who play an active role in driving impactful initiatives to protect the environment or take care of people in need in Bulgaria. Through those partnerships, we will engage our employees and motivate them to 'donate' their work time to a good cause.

**Putting our values into action, our aim is to reach at least 1,000 working hours per year dedicated to community service.**



### Our customers

We further believe that through understanding and embedding sustainability into their lives, people can contribute to the global efforts to keep our planet clean and our societies healthy. While businesses are becoming more and more aware of the importance of the topic and the governments across the EU are working to advance their laws in this area, it is the consumers that also need to further learn and upskill on the topics where change is required. Recognising that sustainability practices are not well-known has motivated us to set a target focusing on raising awareness:

**Every year, we will reach out to 2,500,000 people through campaigns on sustainable living, hoping that we can contribute to positive changes in people's behaviour.**

## Accelerating technology for a sustainable future

1 NO POVERTY



3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



10 REDUCED INEQUALITIES



11 SUSTAINABLE CITIES AND COMMUNITIES



### Tackling the digital divide by providing reliable connections to all

Yettel is helping build the digital economy by providing inclusive and safe connectivity, supported by the continuous rollout of solutions that benefit businesses, people and the environment. Investment into network development and innovative products and services is ongoing and will deliver reliable, safe and high-quality connection for everyone. Additionally, measures to guarantee maximum security through the best technologies, innovations, specialised applications, services, and educational tools, are integral to the company's objectives.

We support the EU in its efforts to build secure, performant, and sustainable digital infrastructures:

- **We will do our best to make 5G connectivity available to at least 85% of the population in Bulgaria by the end of 2026 (rural and urban areas combined).**
- **In urban areas (> 30k population), we aim for our 5G network to deliver connectivity speed above 1 Gbps by 2026.**



## Accelerating technology for a sustainable future

1 NO POVERTY



3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



10 REDUCED INEQUALITIES



11 SUSTAINABLE CITIES AND COMMUNITIES



### Promoting digital education and awareness

We aim to help build the digital economy by ensuring inclusive and safe access to connectivity. With the digitalisation of today's life, online safety continues to persist as a challenge. This is especially relevant for children who are more likely to become victims of unethical internet practices. That is why we want to promote the development of digital skills and literacy, and awareness of potential threats that new technology may pose.

We will do that through a wide range of means such as educational campaigns, offering advice, information, and training to those that feel vulnerable or in need of assistance to minimise online threats.



**We will aim to reach 40,000 children on the topic of online safety and 10,000 people on the topic of digital literacy annually**

## Accelerating technology for a sustainable future

1 NO POVERTY



3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



10 REDUCED INEQUALITIES



11 SUSTAINABLE CITIES AND COMMUNITIES



### Developing smart solutions that benefit people, the environment, and minimise harm

We would like to leverage our strong tech expertise to contribute to a sustainable future. Our company has traditionally been associated with offering innovative solutions for businesses that optimise their ways of working. With an eye toward sustainability governance, we want to explore the power of digital technologies that benefit people, the environment, and minimise harm.

### In that respect, our aim is to offer at least one innovative solution per year which addresses a concrete environmental or social need.

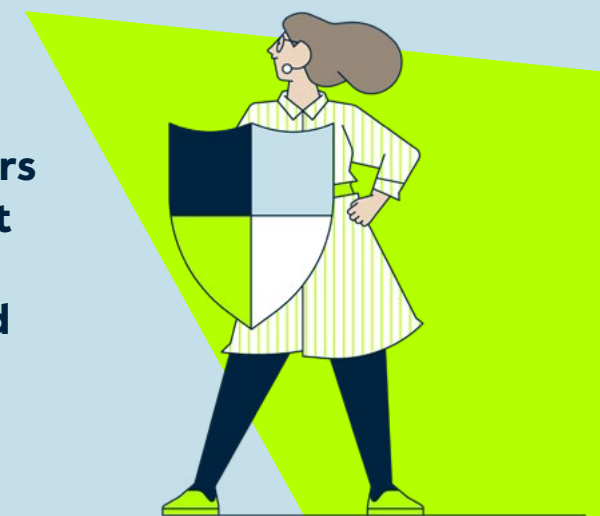
Moreover, we will invest in research and development of innovative products, solutions, and projects which use digital technologies to tackle environmental and social needs.

We will become part of the newly established PPF Telecom Group's Centre of Excellence and Innovation Hub (CEIH) over the next 12 months, with the intention of bringing together the best experience, talent, and resources, co-operating with universities and businesses, in order to identify and develop leading innovative technologies (e.g. Internet of Things) that benefit people, with the ultimate goal of commercialising these via a successful rollout of products and services across the group. The CEIH will set clear targets, which will become synonymous with the PPF Telecom Group's technology-focused sustainability goals.

### Safeguarding cyber security, digital, and personal data

We will work continuously on improving our personal data protection practices and increasing the resilience of our networks against cyber-attacks and cyber frauds, mostly investing in constant improvement of our cyber resilience and capabilities to respond to existing and newly emerging threats in both IT and Telecom domains. By setting the bar high we have the ambition to introduce and maintain a high level of hygiene and constant monitoring in our entire technological stack. This strengthens our confident statement that we take care of our subscribers' communications and data by implementing state-of-the-art security processes and controls, aimed at detecting, responding and preventing cyber-attacks, financial fraud and potential data breaches.

### We aim to deliver our security solution to at least 30% of our contracted end-customers in the consumer segment by 2025, and as such protect data privacy and security.



## Acting with integrity and transparency



### Promoting sustainability as an integral part of Yettel's strategy

As part of PPF Telecom Group, we would like to improve the integration of our sustainability strategy with our business objectives and long-term growth. To support our objectives, we will therefore need to educate and bring on board everybody in the company, while keeping our key stakeholders informed on the progress we are making.

**We will introduce sustainability-related training across the whole company with the aim of achieving 100% participation by senior management and at least 50% participation by all employees in 2023.**

### Sourcing responsibly and sustainably

We further want to increase the integrity of our supply chain by embracing responsibility for the safety, health, and wellbeing of individuals along all phases of operations.

**We aim to work with suppliers that adhere to the same social and environmental standards as we do.**

Over the next months, we will develop a new supplier engagement plan to establish policies and procedures to be able to start dialogue with our key suppliers regarding alignment of values on climate change, environment, ethics, health and safety and product stewardship.





### 1.3. How we govern sustainability

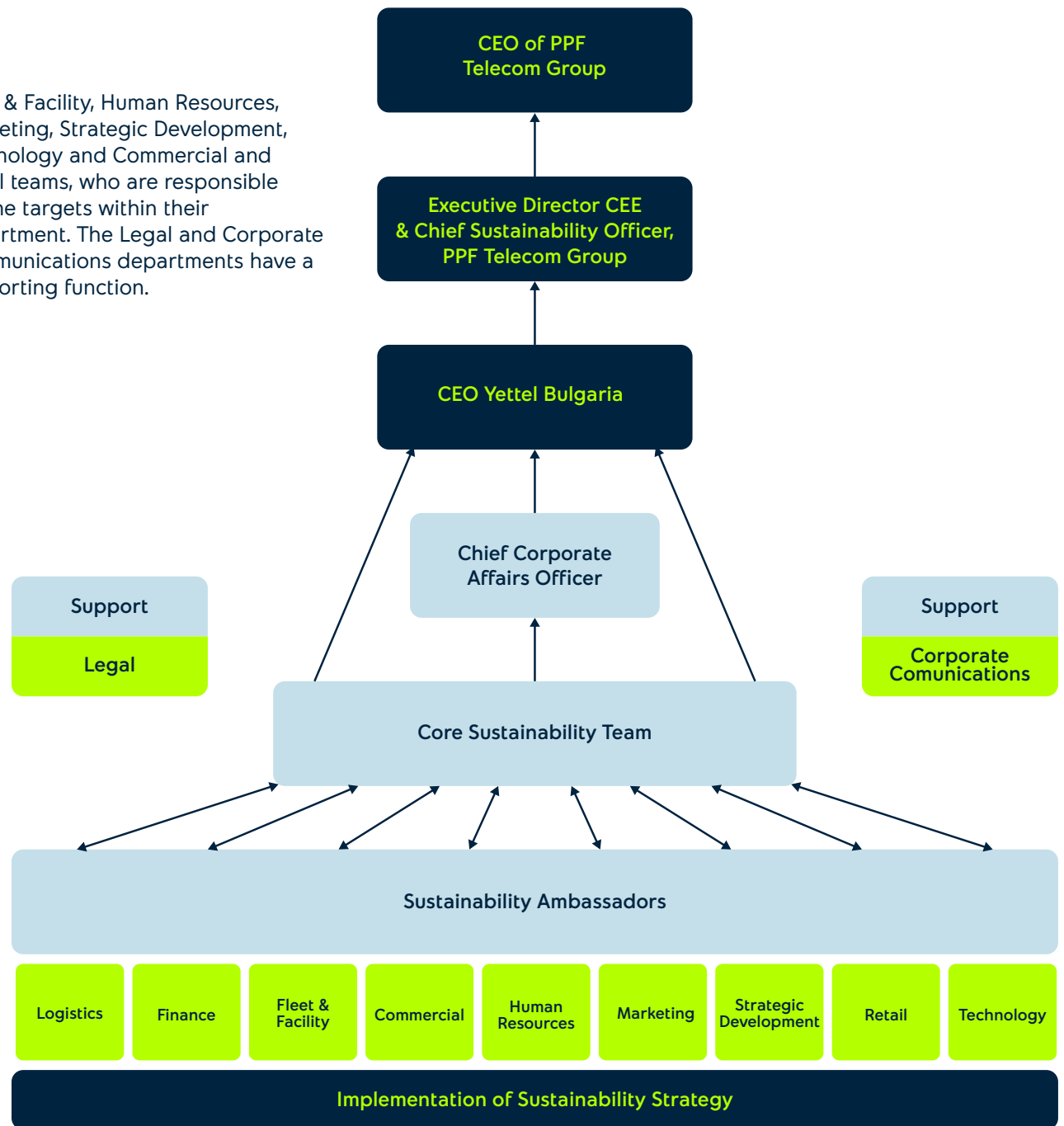
Our Sustainability Strategy goes hand in hand with our success principles and is integrated into our business plan. We focus our efforts and resources on where we believe we can make the biggest difference. In order to track and implement our commitments across the organisation, Yettel Bulgaria has a strong Sustainability Governance structure which ensures that appropriate responsibility for the implementation of each target is allocated in a clear and transparent manner.

All strategic sustainability decisions undergo internal discussion and consultation processes and are adopted by the chiefs of each department, the Sustainability Core Team and ultimately Jason King, our CEO. The Sustainability Core Team is composed of experts in the field. It reports directly to the Chief Corporate Affairs Officer, as well as to the CEO through weekly catch-ups. All critical concerns about the organisation's potential and actual negative impacts on stakeholders are communicated during the meetings.

Our CEO and chief officers regularly review the progress of the Company's sustainable business strategy and evaluate the accuracy and timeliness of the sustainability-related disclosures, as well as receive an update on the progress of the sustainable business strategy once a month by the Sustainability Core Team.

The Sustainability Core Team ensures that there is a cross-departmental cohesion and tracks progress towards the sustainability targets. It is directly involved with management of impacts and progress tracking through consultation with specifically appointed Sustainability Ambassadors in each department. While it is the responsibility of the Sustainability Core Team to coordinate the sustainability agenda, each Sustainability Ambassador is responsible for the supervision and implementation of the Sustainability Strategy within their competence. Currently, there are Sustainability Ambassadors in Logistics, Finance,

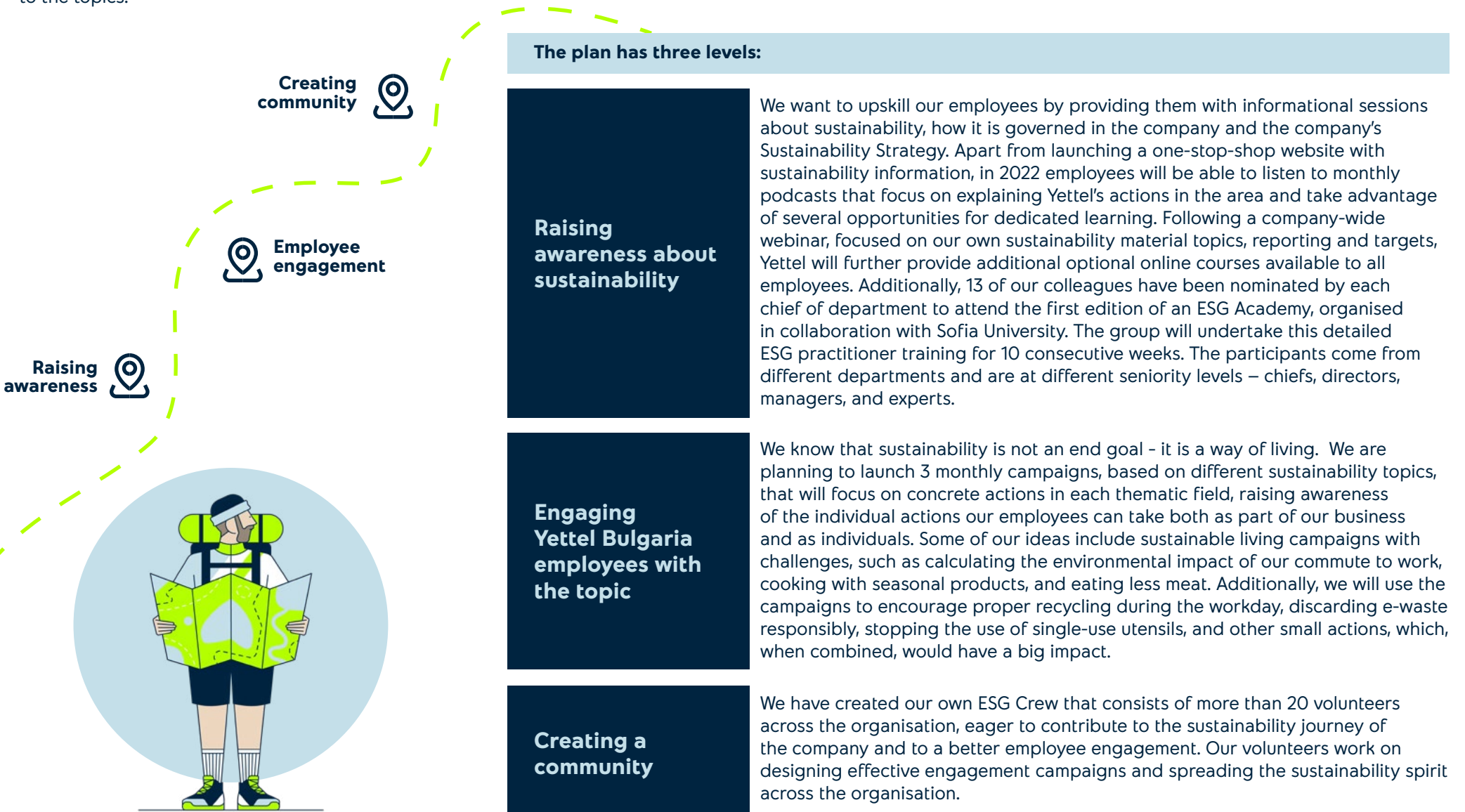
Fleet & Facility, Human Resources, Marketing, Strategic Development, Technology and Commercial and Retail teams, who are responsible for the targets within their department. The Legal and Corporate Communications departments have a supporting function.



**Sustainability Governance Structure**

## Communication roadmap for our sustainability strategy

Adopting a Sustainability Strategy is the first step toward better Sustainability governance. We believe that in order to achieve our targets, each employee should be familiar with the importance of a given sustainability topic and embed sustainability decisions into their day-to-day work. That is why our Sustainability Core Team, in collaboration with Internal Communications and Human Resources Departments, has prepared a communications plan designed to familiarise and engage our employees with the topic, so that by the end of 2022, all our employees become aware of the Sustainability Strategy and have the opportunity to engage in various activities related to the topics.



## 1.4. Stakeholder engagement

Stakeholder engagement is connected to the ways a company exchanges information and dialogues with external and internal stakeholders that impact its operations.

This process entails identifying, mapping and prioritising stakeholders to determine the best tactics for effective communication, while making the best use of available resources and developing relationships of mutual respect. Yettel Bulgaria proactively considers the needs, opinions and perceptions of its employees, clients, suppliers and wider society.

We believe that through integrating the feedback we receive, we optimise our operations, business processes and community initiatives. Realising that our sustainability ambitions are not a one-company exercise but require collective action, we further engage with stakeholders to educate them on sustainable living practices and/or business principles.

While we remain proactive in ensuring we are continually meeting the needs of each stakeholder, we are developing new ways for engagement that will enable us to identify which issues matter most to the firm and which issues matter most to our stakeholders.



## 1.4. Stakeholder engagement

| Stakeholder               | Mode of communication  | Why do we engage with the stakeholder group?  |
|---------------------------|--|---|
| <b>Employees</b>          | Digital Office application (company application where employees can review news, read about important policies, participate in short surveys), Intranet Sharepoint (storage for useful information and policies), specific engagement portal for customer-facing employees, monthly employee engagement surveys, internal trainings and webinars, as well as internal initiatives ran by Yettel. | We strive to ensure that all our employees are aware of the changes in the organisation, both in terms of sustainability governance and in respect to wider policy amendments. We make sure that they are aware about the details regarding their employment with us, including benefits and conditions. We also build employee morale by announcing Yettel's achievements and prizes. We engage regularly with employees on sustainability issues, both to educate on the topic, create a community and obtain wider agreement about our measures. In addition, we engaged with employees to understand the material topics of our enterprise. We further reach out to our employees through the monthly LutherOne survey to measure employee satisfaction and engagement. |
| <b>Clients</b>            | Our website and social media, customer satisfaction surveys for mobile services customers, feedback forms distributed through our application, retail shops and call centre.   | We aim to receive regular feedback from our clients, both for the quality of our services, their perception about our brand and our position in comparison to our competitors. We want to know their attitudes toward our sustainability initiatives and whether they perceive our brand to be connected to sustainable practices. We have an open grievance procedure and thoroughly review each complaint we receive.   |
| <b>Suppliers</b>          | Due diligence procedures   | We engage with our suppliers to ensure that they comply with applicable laws and adhere to the principles adopted in Yettel's Ethics and Compliance Policy. We further engage on social and environmental issues, working together with them to limit the negative impact of our upstream operations.   |
| <b>General population</b> | Brand tracker surveys, research focusing on attitudes toward sustainable living  | We centre our brand on the people and, thus, we strive to understand them better, through gathering feedback around the products and services we provide, as well as researching the attitudes of the Bulgarian population. We go the extra mile, striving to understand the awareness gap, when it comes to sustainable ways of living and how Yettel, as a brand, can support the Bulgarian population on that journey.   |

## 1.5. Material topics and materiality matrix

The materiality analysis determines the environmental, social and governance topics where a company has the most impact and, accordingly, where a company should set targets and report progress. Based on the GRI Sustainability Reporting Standards (GRI Standards) and its Reporting Principles for defining report content, Yettel Bulgaria participated in a materiality assessment in collaboration with the PPF Telecom Group. Usually, this analysis begins with internal consultation in conjunction with senior management, which covers all possible material topics. This process is followed by prioritisation of the material topics according to the perceptions of stakeholders about the company's impact on environment, people, and society. The stakeholders consulted include all parties, which create differentiated value for the business through their interaction with the operations of the company, and all stakeholders, which are affected by the operations of the company.

As this is our first sustainability report prepared according to GRI, our materiality assessment was prompted by an exercise designed to aggregate material topics across all of PPF Telecom Group's subsidiaries. Our senior management was actively involved in the process through the steering committee that is responsible for coordinating the sustainability agenda at Group level. The assessment began with the definition of an overarching list of topics in environmental, social, and governance areas by considering the material topics that are present in the telecommunications industry and that matter the most to our key stakeholder groups. Based on this list of topics, a survey was conducted among key departments in the company such as Technology, HR, Security, Marketing, Product Development. The aim of it was to obtain our employees' opinion about the most relevant sustainability themes and prioritise them. Additional interviews took place with selected department leads to understand the details behind the survey results of that specific department.

The results reflected the themes positioned on an x-y scale that aggregates responses to two separate questions:

**To what extent does the way we manage the topic affect the selected stakeholder's decisions and actions towards us?**

**To what extent does the way we manage the topic create economic, social or environmental value for the country?**

The analysis led to the identification of 9 material topics that go above our defined materiality threshold (i.e. above the materiality line). In addition, we decided to include 5 more topics, which we consider of strategic importance to our business, namely:



**Energy, greenhouse gases and other air polluting emissions**



**Input materials and waste**



**Employment and job retention**

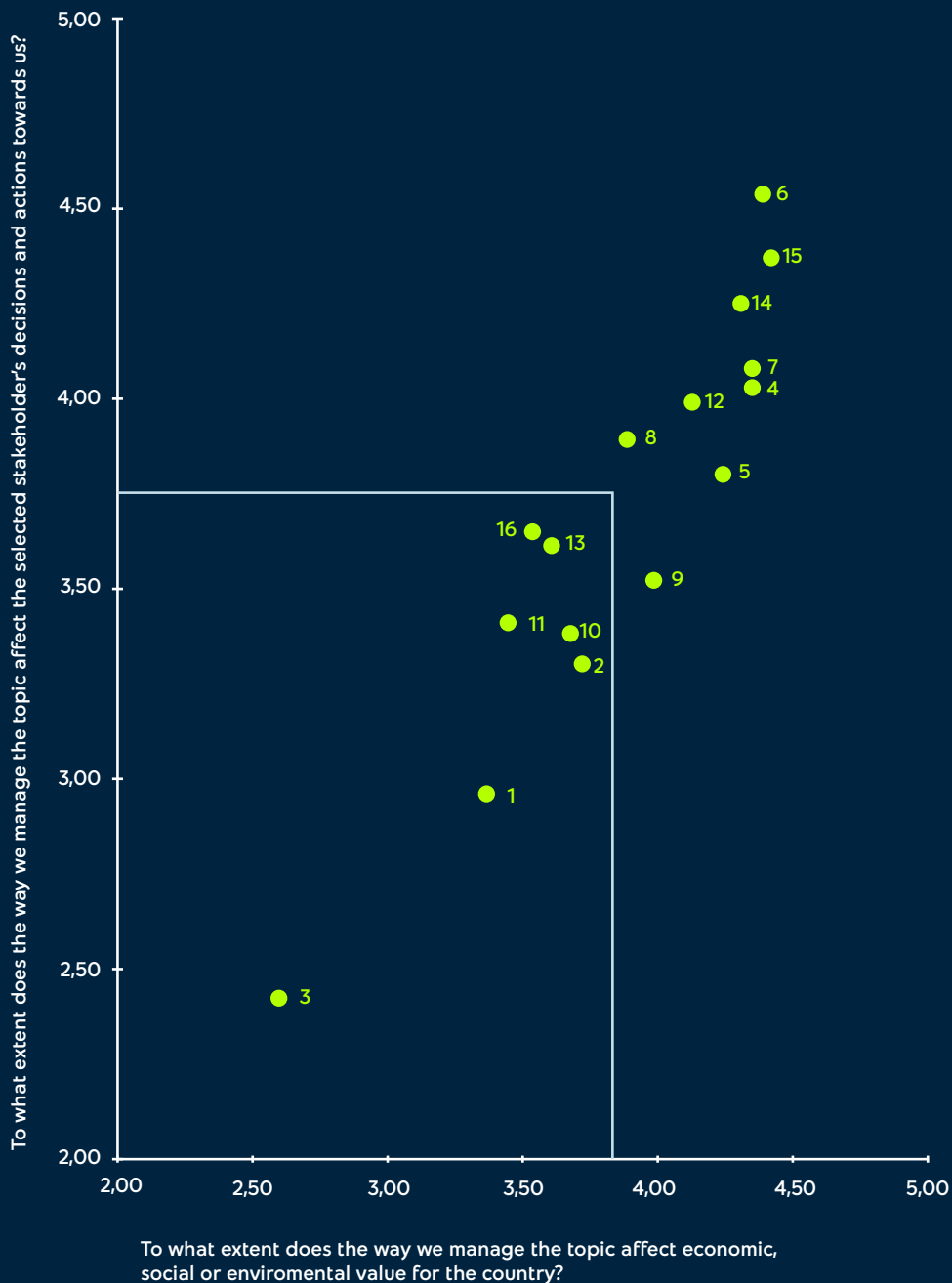


**Employee training and development**



**ESG assesment of partners and suppliers**

### Materiality Matrix



| #  | Assessed Topics   | Identified by the analysis | Of additional importance |
|----|---|----------------------------|--------------------------|
| 1  | Energy, greenhouse gases and other polluting air emissions                                  |                            | yes                      |
| 2  | Input materials and waste   |                            | yes                      |
| 3  | Water and wastewater  |                            |                          |
| 4  | Direct and indirect economic value  | yes                        |                          |
| 5  | "Technology for good" – services and products addressing social and enviremental challenges | yes                        |                          |
| 6  | Cyber security, digital and personal data protection  | yes                        |                          |
| 7  | Network deployment  | yes                        |                          |
| 8  | Marketing practices   | yes                        |                          |
| 9  | Charitable initiatives and social investments   | yes                        |                          |
| 10 | Employment and job retention  |                            | yes                      |
| 11 | Employee training and developement  |                            | yes                      |
| 12 | Occupational health and safety and wellbeing  | yes                        |                          |
| 13 | Human rights at work  |                            |                          |
| 14 | Corporate governance, business ethics and regulatory compliance                             | yes                        |                          |
| 15 | Business continuity and emergency preparedness  | yes                        |                          |
| 16 | ESG assessment of partners and suppliers  |                            | yes                      |

## 1.6. Contributing to the UN Sustainable Development Goals

The management of our material topics is closely linked to our contribution to the Sustainable Development Goals. There are 17 Sustainable Development Goals (SDGs) focused on the urgent needs of the people and our planet such as ending poverty, providing safe health care and accessible education for all, reducing inequalities and approaching growth in a truly sustainable manner.

Yettel Bulgaria, together with the PPF Telecom Group, have worked thoroughly and transparently to bring our policy commitments, business model and sustainability strategy in line with the UN's SDGs. Making an impact is at the heart of our mission and hence, we have developed a guideline that links our materiality topics with the SDGs in order to maintain our focus on what really matters.



### Material topics mapping to UN Sustainable Development Goals

| Material Topics  | 1 NO POVERTY | 2 ZERO HUNGER | 3 GOOD HEALTH AND WELL-BEING | 4 QUALITY EDUCATION | 5 GENDER EQUALITY | 6 CLEAN WATER AND SANITATION | 7 AFFORDABLE AND CLEAN ENERGY | 8 DECENT WORK AND ECONOMIC GROWTH | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 10 REDUCED INEQUALITIES | 11 SUSTAINABLE CITIES AND COMMUNITIES | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 13 CLIMATE ACTION | 14 LIFE BELOW WATER | 15 LIFE ON LAND | 16 PEACE, JUSTICE AND STRONG INSTITUTIONS | 17 PARTNERSHIPS FOR THE GOALS |   |
|--|--------------|---------------|------------------------------|---------------------|-------------------|------------------------------|-------------------------------|-----------------------------------|---|-------------------------|---------------------------------------|---|-------------------|---------------------|-----------------|---|-------------------------------|---|
| Energy, greenhouse gases and other air polluting emissions   |              |               | ✓                            |                     |                   |                              | ✓                             | ✓                                 |   |                         |                                       | ✓   | ✓                 | ✓                   | ✓               |   |                               |   |
| Input materials and waste                                    |              |               | ✓                            |                     |                   | ✓                            |                               |                                   |   |                         |                                       | ✓   |                   | ✓                   | ✓               |   |                               |   |
| Direct and indirect economic value                           | ✓            |               | ✓                            |                     |                   |                              |                               | ✓                                 | ✓   |                         | ✓                                     |   | ✓                 |                     |                 |   |                               |   |
| Accelerating technology for a sustainable future             |              |               | ✓                            | ✓                   |                   |                              |                               |                                   | ✓   | ✓                       | ✓                                     |   | ✓                 |                     |                 |   |                               |   |
| Cyber security, digital and personal data protection         |              |               |                              |                     |                   |                              |                               |                                   |   |                         |                                       |   |                   |                     |                 |   | ✓                             |   |
| Mobile telecommunication technologies and public health      |              |               | ✓                            |                     |                   |                              |                               |                                   |   |                         |                                       |   |                   |                     |                 |   | ✓                             |   |
| Marketing practices  |              |               |                              |                     |                   |                              |                               |                                   |   |                         |                                       | ✓   |                   |                     |                 |   | ✓                             |   |
| Charitable and social investments                            | ✓            | ✓             |                              |                     |                   |                              |                               |                                   |   |                         |                                       |   |                   |                     |                 |   |                               |   |
| Employment and job retention                                 |              |               |                              |                     | ✓                 |                              |                               | ✓                                 |   | ✓                       |                                       |   |                   |                     |                 |   |                               |   |
| Employee training and development                            |              |               |                              | ✓                   | ✓                 |                              |                               | ✓                                 |   | ✓                       |                                       |   |                   |                     |                 |   |                               |   |
| Occupational health and safety and wellbeing                 |              |               | ✓                            |                     |                   |                              |                               | ✓                                 |   |                         |                                       |   |                   |                     |                 |   | ✓                             |   |
| Corporate governance, business ethics, regulatory compliance |              |               |                              |                     |                   |                              |                               |                                   |   |                         |                                       |   |                   |                     |                 |   | ✓                             |   |
| Business continuity and emergency preparedness               |              |               | ✓                            |                     |                   |                              |                               | ✓                                 |   |                         |                                       |   |                   |                     |                 |   | ✓                             |   |
| ESG assessment of partners and suppliers                     |              |               |                              |                     |                   |                              |                               | ✓                                 |   | ✓                       |                                       |   | ✓                 |                     |                 |   |                               | ✓ |



## 2. Reducing our environmental footprint

Maintaining a healthy and undamaged environment for current and future generations is an integral part of Yettel's brand culture. That is why we have embarked on a process of defining the environmental impacts caused by our operations and reducing these through the best techniques available. Providing communications services requires a significant amount of energy, that is why our current focus is on optimising our energy use and thus reducing part of our greenhouse gas emissions. Another significant impact is the waste produced from the packaging we use to transport our products to our customers safely and damage-free. We are looking into innovative ways of reducing the use of plastics throughout our operations, including partnerships with our suppliers, and leveraging innovative approaches within that process.

The management of our environmental impact includes the implementation of ISO 14001 - an international standard that sets out the requirements for our environmental management system. We make sure that we consider the development, monitoring, auditing, internal communication and management review of the environmental management system, the company's activities and the products and services that interact with the environment. We work towards continuously improving the above, while minimising the negative effect on the environment.

The methods established and implemented by the company with regards to identifying environmental aspects and consequences of our activities have been described in a local manual available to all employees. The environmental impacts are taken into consideration and prioritised every time we launch or create a new operation/activity/product/service and also following a relevant recommendation by the Environmental Management Committee.

Our efforts are complemented by a targeted communication procedure. We raise awareness on environmental issues about our company's environmental management system internally. The internal communication is aimed at raising employees' awareness on the importance of complying with Yettel's Environmental Policy, as well as cultivating a culture of ethical conduct.



## 2.1. Energy, greenhouse gases and other air polluting emissions

Climate change is the most material environmental issue for our business and is already affecting our region in various forms. We are already observing rising temperatures, forest fires, floods, and biodiversity losses. It also affects people's health. Under the Paris Agreement, in 2015 the EU committed to cutting greenhouse gas emissions within its territory by at least 40% (compared to 1990 levels) by 2030. In 2021, that target became even more ambitious – reach at least 55% reduction by 2030 and obtain climate neutrality by 2050.

Seeking to become a partner in the green transition, we strive to evaluate and mitigate our own impact on the climate. Our services require significant amounts of energy. Newly connected devices contribute to higher data transmission and higher data storage thus increasing the energy needs of our operations. Most of the electricity that we use is still provided by power generation companies via national distribution networks and is still mostly generated by non-renewable energy resources that contribute to higher greenhouse gas emissions. Emerging geopolitical risks and wider adoption of legislation such as carbon pricing are among the causes of higher volatility of commodity prices and cost inflation. Consequently, there are strong social, financial, and political imperatives for us to optimise our energy consumption.

Before we set targets, we prepared a baseline of our energy needs. The amount of energy our business uses is:

### Energy consumption by fuel source (in kWh)

| Fuel Source       | 2019      | 2020      | 2021      |
|-------------------|-----------|-----------|-----------|
| Diesel            | 253,444   | 284,553   | 185,497   |
| Petrol            | 4,488,937 | 3,666,614 | 3,763,267 |
| Natural gas       | 131,671   | 152,741   | 233,010   |
| Central heating   | 113,150   | 108,610   | 334,040   |
| Grid electricity  | 6,732,244 | 5,906,936 | 6,393,381 |
| Green electricity | 0         | 0         | 0         |

### Energy consumption by type (in kWh)

| Energy Consumption                                      | 2019              | 2020              | 2021              |
|---|-------------------|-------------------|-------------------|
| Electricity   | 6,732,244         | 5,906,936         | 6,393,381         |
| Heating   | 113,150           | 108,610           | 334,040           |
| Fuel  | 4,874,052         | 4,103,908         | 4,181,773         |
| Renewable electricity                                   | 0                 | 0                 | 0                 |
| <b>Total energy consumption within the organisation</b> | <b>11,719,446</b> | <b>10,119,454</b> | <b>10,909,195</b> |

**25.52 kWh/1,000 EUR revenue**

Energy intensity for 2021

**810,252 kWh**

Energy reduction for 2021 compared to 2019

**Energy consumption outside the organisation, 2021**

Use of sold products (charging by customers)



Fuel and energy-related activities



Based on this data, in 2022, we completed a detailed exercise to calculate our greenhouse gas (GHG) emissions for the period of 2019-2021. The analysis took place at PPF Telecom Group level and included our network partner CETIN. We evaluated potential emission reduction measures and the feasibility of setting a long-term GHG reduction target, including the emissions savings potential of a wide range of energy efficiency and network modernization options, as well as the potential for purchase of renewable energy.

In the table below, we present the results from our first full carbon footprint assessment which includes the direct and indirect emissions from our network and retail businesses across Bulgaria.

**Carbon footprint assessment, 2019-2021, according to GHG Protocol in tCO<sub>2</sub>e**

| CO <sub>2</sub> emissions*<br>Location-Based and Market-Based         | 2019   | 2020   | 2021   |
|---|--------|--------|--------|
| Scope 1 (Total in tCO <sub>2</sub> e)                                 | 1,228  | 1,082  | 1,017  |
| Scope 2 (Total in tCO <sub>2</sub> e)                                 | 2,971  | 2,609  | 2,876  |
| Scope 3 (Total in tCO <sub>2</sub> e)                                 | 78,539 | 78,350 | 85,000 |
| Total GHG emissions Scope 1 and 2 (tCO <sub>2</sub> e)                | 4,200  | 3,691  | 3,893  |
| Emission intensity Scope 1+2+3 (tCO <sub>2</sub> e/1,000 EUR revenue) | 0.327  | 0.363  | 0.405  |

\* Our methodology for the reporting of GHG emissions has been developed using GHG Protocol standards and guidance, including the Corporate Standard, cross-sectoral & mobile sources tools, Scope 2 Guidance including data from the International Energy Agency IEA and Corporate Value Chain (Scope 3) Standard. The methodology we use to calculate emissions is consistent across all our business units. We accounted for all emissions associated with the activities across our business and network operations (CETIN). For our retail services, these include all owned or leased assets, regardless of operational control (such as rented buildings). For network operations, these include our own network activities up to July 2020 and those from leased networks after July 2020. Although from July 2020 Yettel Bulgaria (former Telenor) spun off its telecommunication infrastructure assets into a newly established independent entity, CETIN Bulgaria, it reports 100% of emissions under this approach.

## Scope 1 Emissions

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



diesel, petrol and other fuel used by cars and commercial vehicles owned by our company or leased



natural gas and other heating fuels used for space heating and hot water in our premises



fuels used for generators in off-grid areas, or where back-up capacity is required



fugitive releases of refrigerants or fire suppressants used for air-conditioning or fire control systems in our premises

Emissions factors sourced from the GHG Protocol Mobile Sources and Cross-Sectoral Tools have been used to calculate GHG emissions for all applicable fuel, refrigerant & fire suppressant sources.

## Scope 2 Emissions



These are emissions from electricity and heat purchased to power our offices, retail stores, commercial warehouse and repair centre. We report Scope 2 emission values using both the 'location-based' and 'market-based' approaches of the GHG Protocol.

The location-based method reflects the average emissions intensity of the grids where energy consumption occurs (typically a national average production mix, exclusive of imports).

The market-based method applies if the company has operations in any markets where energy certificates or direct energy purchases are used (such as via Power Purchase Agreements), or where supplier-specific information is available. The method involves using an emissions factor that is specific to the electricity purchased, and a residual mix emissions factor for the remaining energy purchased from the grid, which reflects the marginal change in the generation mix, also inclusive of imports.

Location-based emissions factors are sourced from the IEA Emissions Factors database, while market-based emissions factors used are from the AIB European Residual Mix database. Emissions factors for 2019 are used for both datasets - the latest available at the time of writing.



## Scope 3 Emissions

We have conducted an in-depth analysis of our Scope 3 emissions. These are indirect emissions that we do not directly control but that we may be able to influence. They include:



emissions from our suppliers in providing us with goods and services



emissions from network leasing



emissions associated with the use of our products and services by our customers

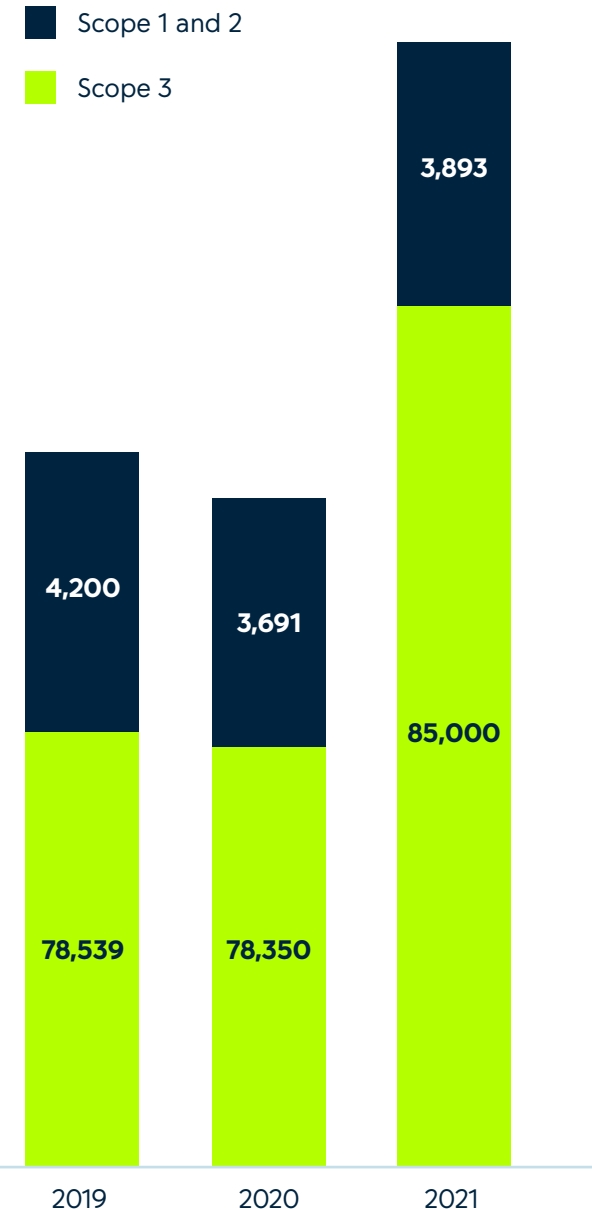
We have undertaken a qualitative assessment of the extent to which we can influence and reduce emissions for each emissions category. The estimation of Scope 3 emissions is a very approximate process. The values given in the data table are not precise and are not intended to be read as absolute figures. Rather, they provide an indication of the sources where the most significant emissions in our value chain arise and help us target our actions.

We use an electronic data collection process to gather our data. Energy usage data is based on invoices from our energy suppliers. These bills are based on the supplier's estimated readings. In 2020, within the group project, Yettel Bulgaria (Telenor at the time) spun off its telecommunication infrastructure assets into a newly established independent entity, CETIN Bulgaria. The two companies have different priorities,

different business models and management focus. Shared services (principally office space) are allocated based on square meters of floor space as per internal sharing agreements and are not affected by this split. In order to ensure a consistent GHG baseline, data for purchased goods and services in 2019 and 2020 have been allocated between retail services and network subsidiaries following the asset split at the time of spin-off. This affects only the historic data for 2019 and 2020, from 2021 data is reported separately by each subsidiary.

Given the relationship established between Yettel and CETIN, CETIN Bulgaria's emissions are included in our Scope 3 emissions. Their emissions come mostly from electricity usage and indirect emissions from the purchase of network equipment needed for 5G rollout.

Yettel emission trend in tons CO<sub>2</sub>



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

## Our network

Although most of the emissions generated by our business are classified as indirect, we acknowledge that network infrastructure is the most significant contributor to the energy consumption. Therefore, we consider that the more the traffic in our network grows, the more efficient our energy usage should be. Although our network infrastructure is maintained by a third-party network provider (CETIN), we work in close collaboration to define and later implement the most energy-efficient

solutions. We will therefore implement energy efficiency programmes to mitigate the increase in data traffic volumes, as well as explore opportunities for supplying our network with renewable energy. With the intention to be in line with the EU Strategy and the Paris Agreement objective to keep the global temperature increase to well below 2°C and pursue efforts to keep it to 1.5°C, we will prioritise reducing emissions intensity with the goal to achieve carbon neutrality by 2050 or earlier.



## Our actions

Based on the results presented above, we have embarked on several initiatives to record and approach the reduction of GHG emissions:

**1. PPF Telecom Group has publicly committed to setting GHG emission reduction targets to be aligned with the Science Based Targets initiative (SBTi).** We will use the next 12-24 months to prepare a comprehensive programme to enable us to reduce GHG emissions in line with the Paris Agreement to limit global warming to 1.5 degrees Celsius pre-industrial level.



**2. We have already launched several energy efficiency measures to reduce our energy consumption, which will lead to a reduction in the emission of greenhouse gases and other harmful substances into the atmosphere.** We already installed an energy efficient system for cooling and heating, and a building management system with smart zone controllers, which determine the need of heating/cooling, depending on the number of people present in our Headquarter building. When it comes to LED lights, all our stores already operate with 100% LED lights, our office locations across the country are 95% equipped, warehouse and repair centre – 70%, and the headquarter building at 40%. The percentages will be increasing constantly with next renovations. Additionally, 72% of our shops are also equipped with energy efficient inverter air conditioners and we plan to further increase this percentage in the coming years. In late September 2022 we finished with the installation of a photovoltaic system at the rooftop of our HQ building. The emissions reductions from the incorporation of renewable energy in our use for 2022 will be reflected in next year's GHG inventory.

### LED lights usage



**3. At PPF Telecom Group level we have started our environmental disclosure through the CDP reporting standard, further affirming our commitment to transparency in non-financial reporting.**

## 2.2. Input materials and waste

Being in balance with nature is part of our brand. That's why we continuously foster the responsible behaviour of the company and its employees toward the environment. Through our long-term sustainability strategy, we strive to use natural resources carefully and preserve them for future generations. We promote circular economy practices to reduce materials consumed by our activities and recycle where possible. Not only does the company recycle packaging, electronic and other selected waste, but also our employees actively participate in the recycling process through the primary separation of waste at the workplace. We would like to build upon those efforts and have hence set targets to progressively reduce the waste generated by our operations and:



### Collect at least 127,000 kg electronic waste by 2028.

Reaching that number would mean we have managed to collect 30% more e-waste compared to our baseline year and prevented it from going to landfill, through re-using, recycling or refurbishing



### Reduce by 40% the packaging waste in our own operations by 2028



### Engage with our key direct suppliers on more sustainable packaging practices



Work together with our network partner CETIN to ensure that all decommissioned network equipment and network waste is recycled, refurbished, or resold for a second life somewhere else.

We implement resource efficiency and waste management programmes across our operations in order to minimise the negative impact. In collaboration with CETIN Bulgaria, we prioritise the reuse or recycling of unwanted equipment, extracting the maximum value from equipment, while in use, and then recovering and reusing materials before recycling them responsibly.

Separate waste collection and recycling continues to be an important priority for us.

**In 2021, we managed to prevent disposal to landfill of more than 87 tonnes of waste by recycling or reusing (upcycling). This is more than 69% of the total generated waste for 2021.**




More detailed results about the waste quantities collected for 2021 compared to 2020 are presented in the table below.

**Breakdown of waste generated for 2020 and 2021 in tonnes**

| Waste composition                          | Waste generated 2020 | Waste generated 2021 | Waste diverted from disposal 2020 | Waste diverted from disposal 2021 | Waste directed to disposal 2020 | Waste directed to disposal 2021 |
|--|----------------------|----------------------|-----------------------------------|-----------------------------------|---------------------------------|---------------------------------|
| <b>Domestic waste (office building)</b>    | 23.04                | 23.04                | 0                                 | 0                                 | 23.04                           | 23.04                           |
| <b>Paper (office building)</b>             | 2.83                 | 2.23                 | 2.83                              | 2.23                              | 0                               | 0                               |
| <b>Plastic and metal (office building)</b> | 1.00                 | 0.75                 | 1.00                              | 0.75                              | 0                               | 0                               |
| <b>Paper (retail network)</b>              | 12.72                | 8.25                 | 0                                 | 0                                 | 12.72                           | 8.25                            |
| <b>Plastic (retail network)</b>            | 0.77                 | 1.15                 | 0                                 | 0                                 | 0.77                            | 1.15                            |
| <b>Wooden pallets (warehouse)</b>          | 9.18                 | 6.92                 | 9.18                              | 6.92                              | 0                               | 0                               |
| <b>Paper packaging tax</b>                 | 51.56                | 48.74                | 51.56                             | 48.74                             | 0                               | 0                               |
| <b>Plastic packaging tax</b>               | 5.81                 | 6.08                 | 0                                 | 0                                 | 5.81                            | 6.08                            |
| <b>E-waste own operations</b>              | 20.57                | 23.98                | 20.57                             | 23.98                             | 0                               | 0                               |
| <b>E-waste collected from customers</b>    | 1.59                 | 1.5                  | 1.59                              | 1.5                               | 0                               | 0                               |
| <b>Batteries own operations</b>            | 0.12                 | 1.49                 | 0.12                              | 1.49                              | 0                               | 0                               |
| <b>Batteries collected from customers</b>  | 0.19                 | 1.11                 | 0.19                              | 1.11                              | 0                               | 0                               |
| <b>Total</b>                               | <b>129.39</b>        | <b>125.24</b>        | <b>87.04</b>                      | <b>86.72</b>                      | <b>42.34</b>                    | <b>38.52</b>                    |

The collected data shows that the total waste generated by Yettel Bulgaria amounts to around 125 tonnes in 2021, the majority of this being classified as non-hazardous waste. The proportion of waste material that is either reused or recycled is around 87 tonnes in 2021, comprising more than 69% of the total generated waste for 2021. The majority of waste generated from downstream value chain (retail) and our own operations (offices) consist of residual waste, plastic packaging and e-waste (we try to reuse or recycle the last two categories through specialized contractors). We dispose of hazardous waste and e-waste in compliance with the applicable regulations.

E-waste is one of the biggest challenges in the telecommunication industry as it is the fastest growing waste stream worldwide (Eurostat 2020). That is why, it is of high importance to us, and we have enhanced our focus of work on decreasing the negative effects it has on the environment and people's health. We use a combination of techniques to mitigate the e-waste issues, including:

|  |   |   |
|--|---|---|
|  <p>E-waste recycling programme in all Yettel stores accessible for clients and non-clients of Yettel</p> |  <p>Separate collection of e-waste in our own operation. The collected e-waste is recycled or refurbished by a vendor we work with</p> |  <p>Own repair centre available for all our clients - a place where we extend the life of our clients' devices and accessories</p> |
|--|---|---|



## Addressing the problem of e-waste

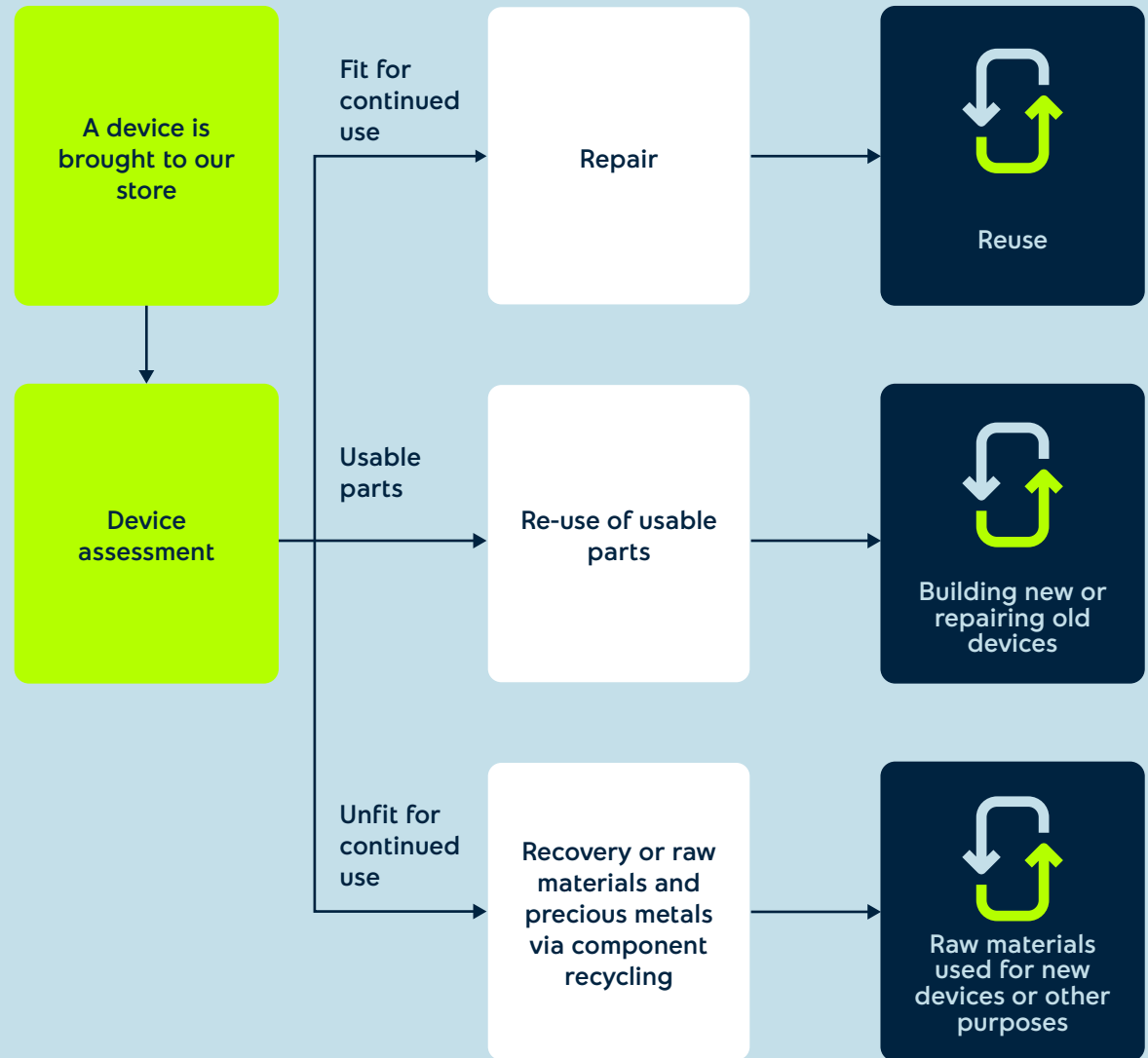
Realising the potential negative effects that the improper disposal of e-waste can have on the environment, in November 2008, the company started a national campaign for e-waste collection. For this purpose, we equipped all our shops with special e-waste collection points, where our customers and visitors of the stores can return used batteries, small accessories (chargers, cables, earphones, etc.), as well as small mobile devices.

In order to further build on the initial achievements of the programme, in 2018 Yettel Bulgaria created a service for its customers, through which they can return used mobile phones, tablets, smart-watches, and get discounts from a future purchase. Within the programme customers bring their old devices, the sales representative assesses the device based on 6 criteria, and, depending on the evaluation, the customer is presented with a discount for future purchase. Yettel Bulgaria works with vendors to, where possible, repair and refurbish the old devices collected through its programmes, so they can be reused. If this is not feasible, the devices, accessories and their batteries are properly recycled.

Clients and non-clients of Yettel can bring their unused devices and accessories at any time throughout the year. Within certain periods, the company organises dedicated e-waste collection campaigns and offers an incentive to the people who are willing to take a small step towards preserving the environment.

In June 2022, Yettel introduced such a campaign with an integrated incentive - bring your old device and get a 25% discount for purchasing selected products. As we wanted to reach out to as many people as possible and raise awareness, the campaign was supported by an educational TV advertisement and additional media outreach, emphasising the importance of proper e-waste disposal.

### What happens to your device, when you decide to recycle it with Yettel?



## Other e-waste-related initiatives

### Own repair centre

Yettel is proud to have its own repair centre, which works to support our customers whenever they experience any problems with their devices. They can use the service no matter their location, as all they need to do is simply visit one of the Yettel stores across the country and hand the device there, which will be taken care of by the certified technical experts working in our repair centre. We put high emphasis on the quality of the repairment process and thus, we work only with original parts, purchased directly from the manufacturers, as well as have embedded additional quality control in the process. To cater for the needs of the repair centre clients, device status tracking is included into Yettel's website, so customers can easily understand how the repairment is progressing and when to expect the return of their device. They also receive additional SMS notifications with the same purpose. If the person using the service of the repair centre is a Yettel customer, they also get a replacement device of the same grade for the period while their own is being repaired.

### Yettel outlet

In order to minimise the increasing amounts of e-waste and also cater for the needs of its customers, Yettel has also established a few outlet stores, offering different types of outlet devices with additional discounts.

## Results

Using the above-mentioned streams for collecting e-waste, in 2021 we managed to divert 21,586 kg of e-waste from going to landfill and our ambition is to increase this number in the upcoming years, as we believe that the telecommunications industry can play an important role in nature preservation and creating a more resilient-to-change world.

**We managed to divert 21,586 kg of e-waste from going to landfill in 2021.**

## E-waste – Yettel's own operations

The company also installed e-waste collection points at all its offices and warehouse, in order to provide its employees with quick access to places where they can dispose of unused small electronics and batteries. The company, together with its recycling partner, takes care of the afterlife of each item and ensures that it is properly recycled and does not end up in landfill.

Furthermore, old equipment from corporate offices, shops, and warehouses is properly collected and handed to Yettel's vendors for reuse, repair, refurbishment or recycling.



### 3. Putting people at the centre of everything we do

#### Our Yettel culture

As part of our rebranding activities at the start of 2022, we prepared a Culture Journey for our employees - a plan of a series of events to create a consistent firm understanding of our new brand and Yettel's culture & values. We started in January 2022 with several onboarding workshops for our leaders, as they play an important role when it comes to propelling and embedding the culture of Yettel. We believe, however, that role-models can be at any level within our organisation and, in March, we selected and trained **16 Culture Ambassadors**, who were nominated by our employees as people who already exhibit the culture of the company.

The Yettel Ambassadors have played an important role in educating others in the organisation what it means to live the Yettel culture, values, employee promise and ways of working. In the period from 1 April until 30 June 2022, they conducted **80 sessions**, during which more than **720 employees**, working in our offices, warehouse and device repair centre, passed the **4-hour workshop on Yettel Brand and Culture**. In addition, our retail employees went through a special training on our new selling model, which incorporates our new values and ways of working.



We acknowledge that we do not just work for the brand - we are the brand. As we believe our brand is created by our employees, we invited them to co-create it. Through our **first Yettel Ideathon** we engaged our employees in a series of activities based on the design thinking methodology. The participants worked in teams and generated ideas in one of the following three categories: 'In Balance with Life', 'Be Yourself and Make an Impact' and 'In Balance with Nature'. All ideas focused on how we can make Yettel a better place to work and ensure that our working environment is one, within which they can thrive and can make an impact by bringing their

best selves to work. Within 4 weeks all teams worked on their conceptual ideas and, at a wrap-up event, presented 8 of them to the executive leadership team. We are working on bringing to life four winning ideas - making our working environment even greener by bringing nature to the office space; establishment of clubs where employees can gather based on interests; an award system for the colleagues that support cross-functional projects; and mentorship programme to empower Yettel's employees. These ideas are being implemented in 2022 and will continue at the beginning of 2023.

### 3.1. Health and safety

The health, safety and wellbeing of our employees is our top priority and all the management executives are acting as role models for occupational health & safety related behaviour.

Yettel's Occupational Health and Safety System consists of various manuals, measures and programmes, aiming to ensure a safe working environment, readiness for emergency response, training and awareness of the employees, preventive measures regarding the occupational accidents and also continuous improvement of the system.

Our Health and Safety Management System is ISO 45001:2018 certified and audited every year by internal and external auditors. Additionally, we implement appropriate initiatives which also promote a culture of wellbeing at all levels of the organisation.



### 3.1.1. Occupational health and safety

The processes for identifying hazards, assessing risks, and preventing accidents and occupational diseases are defined in our Health and Safety Policy and are managed by our Occupational Health and Safety Management System. The programme is targeted at all Yettel Bulgaria employees. It came into force on 01.08.2017 as a permanent measure.

Yettel Bulgaria's Occupational Health and Safety management system is in compliance with the requirements of ISO 45001:2018 and covers the processes related to: creation, development and supply of telecommunication products and services, customer service, administrative activities, shop network. The system applies to all employees and subcontractors of Yettel. The system defines the external and internal circumstances, which could affect the achievement of targets and the OH&S management system performance, as well as serves the needs and expectations of the employees and other interested parties.

In order to determine compliance with our safety standards, we carry out and maintain up-to-date information about identified hazards, risk assessment and the necessary measures, as well as the risks and opportunities for the OHS Management System which originate from the context and the interested parties, legal or other requirements.

In order to prevent injuries and illness of all employees and persons working for the company we established occupational health services which aim to provide consultations and support the employer's activities in relation to the healthy and safe working conditions. The services help the company to evaluate the occupational risks and analysis of the health status of the working persons, thus

offering measures to eliminate and reduce the risk identified as well as to define the necessary training of the employee in the rules for protecting the health and safety at work. It also helps to implement programmes for health promotion for employees in the workplace, elimination of risk factors, lifestyle, and enhancing employability and tackling stress at work. In addition, periodical medical checks are organized for our employees focusing on disease prevention.

All processes, procedures and projects related to Occupational Health and Safety, are discussed and approved by the Management and OH&S team. Topics related to health and safety are discussed regularly at the meetings of the Health and Safety committees and groups with representatives of the employees and the employer. For Yettel Bulgaria, feedback from employees is essential when developing and implementing new programmes, and that is why we have established easily accessible channels. There, the employees can report work-related risks and situations in order to eliminate the danger, suggest improvements and provide feedback. This aims to create a culture of awareness and compliance with the safety and health rules in the organisation.

Aiming to improve employees' awareness we have developed a comprehensive training system, which is regulated by a detailed local training manual and instruction for company employees and subcontractors. A clear methodology has been created in order to remind and track the timely implementation of the trainings that are required by the local law and are part of our Health and Safety programme.

#### Work-Related Injuries

| Indicator                           | Number | Comment   |
|-------------------------------------|--------|---|
| Accidents                           | 1      | Accident on the way to work   |
| Lost working days due to accidents  | 92     | Related to this 1 accident  |
| Lost working days due to sick leave | 18,234 | Days of sick leave compared to 396,324 working days in total for the year |
| Fatalities                          | 0      | 0   |

## Employee well-being

At Yettel Bulgaria, we also recognize the importance of the psychological, social and physical wellbeing of our employees and address the topics through different initiatives, aiming to increase awareness about having a healthy lifestyle and the importance of work-life balance of the employees. Therefore, we have created and developed a wellbeing programme which aims to improve the health and well-being of the employees through health education and activities that support positive lifestyle change thus enhancing our employees' productivity and morale and improving performance. We have a dedicated Balance Crew – a team of volunteers, whose task is to create and organise such initiatives. We have also introduced a benefits programme that is centred around the wellness of our employees, both physical and mental. For instance, we provide our employees with the opportunity to consult with a psychologist, because we consider mental health and wellbeing as an issue of utmost importance.





### 3.1.2. Business continuity and emergency preparedness

The operational management aimed at protecting the lives and health of the employees during emergency situations is conducted under the personal supervision of the line managers according to the powers conferred to them by the top management. Action plans are implemented in the company in accordance with the normative requirements accepted by the OHS Committee and approved by the management. The plans consist of instructions for organisational activities regarding the elimination of specific hazards, providing first aid, fire safety and the conditions for evacuation of the employees, as well as the contact details of the civil protection services, fire department and the emergency medical care.



**At least once a year the responsiveness in emergencies is tested in accordance with the action plans, so that all employees are covered.**

The results of the responsiveness in emergency tests are documented in a Protocol and are used for analysis of the employee aptness in terms of their actions in such situations. If needed, the plans are updated after the responsiveness test. Certain employees of the company are trained to implement measures to eliminate the hazard, provide first aid, fire safety, etc., and their training corresponds to the real and particular risks of the work process.

In case of or if there is a possibility of a serious and direct danger to the health and lives of the employees, the respective manager takes immediate measures by informing the employees in danger in the shortest amount of time, ensuring suspension of the work process and their evacuation and not allowing the re-start of the work process until the danger has been eliminated. If the employees cannot contact their line manager in cases of serious and direct danger to their health and lives, they undertake a course of action corresponding to their knowledge and available technical resources in order to prevent the consequences of the danger.



## 3.2. Employment and job retention

At Yettel Bulgaria we believe that it is fundamental to ensure the well-being of our employees during work and outside of it. For us, this means that we ensure they work in an environment where they can be themselves, feel happy and part of a community, where they have numerous opportunities to grow and learn and reach their full potential. One of our most important promises to our employees is **'With us you can be yourself and make an impact.'** We want to ensure that our employees feel respected regardless of gender, age, disability, sexual orientation, religion, cultural background, language, and more. That is why we strive to break down barriers to entry for individuals of any particular background and create an inclusive working environment that stimulates professional growth for all. While our Code of Ethics prohibits discrimination, our Local Ethics and Compliance Policy contains a grievance mechanism where all discrimination cases can be reported.<sup>2</sup>

The following awards confirm our efforts in putting people at the centre of everything that we do



### B2B Media Awards 2021

**1<sup>st</sup> Place:**  
'HR Technology of the Year' – for development and implementation of the Digital Office App

**1<sup>st</sup> Place:**  
'Mobile Innovation' – for development of the Digital Office App

**2<sup>nd</sup> Place:**  
'Employer Branding Project'

**3<sup>rd</sup> Place:**  
'HR Strategy of the Year'

**The Big Award  
(only one winner):  
Employer of the Year**



### Career Show Awards 2021

**2<sup>nd</sup> Place:**  
Best employer in the Communications Sector in Bulgaria

**3<sup>rd</sup> Place:**  
Strategy for Career Development (project 'Summer Practice' for kids of our employees aged 15-19)

**Among top 5 employers within the Bulgaria Best Employer Index**  
(based on the awards won by the company within the previous 3 years in various events)



### Bulgarian PM Awards 2021

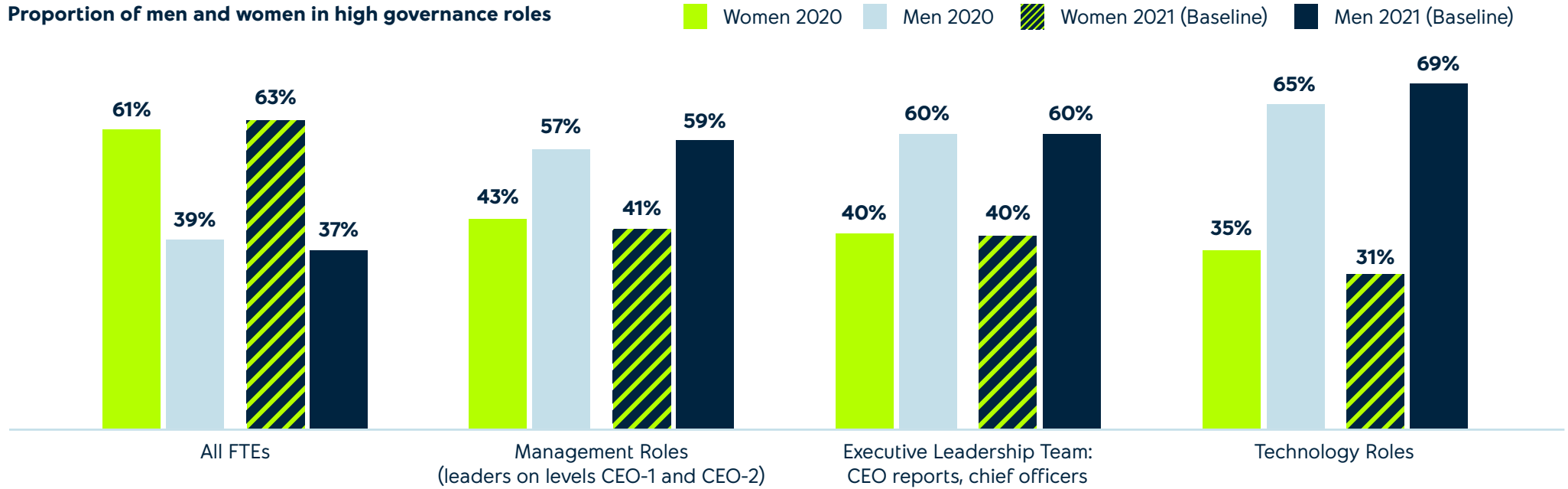
**Social and Corporate Responsibility Project** - for our programme for people with disabilities 'Open Mind' (now called 'Side by Side')



<sup>2</sup> We have 0 incidents of discrimination for 2020 and for 2021.

## Gender Equality

### Proportion of men and women in high governance roles



### Number and Percentage of Men and Women across Business Operations in 2021

| Based on Full-Time Equivalent <sup>3</sup>   | Female               | Male             | Grand Total           |
|--|----------------------|------------------|-----------------------|
| <b>Client-facing (all roles directly dealing with customers, e.g. shop staff, call centre, Business Sales)</b> | 735 (45%)            | 383 (23%)        | 1118 (69%)            |
| <b>Other (all the rest, such as Finance, HR, Marketing, Legal, etc)</b>  | 261.75 (16%)         | 166 (10%)        | 427.75 (26%)          |
| <b>Technology (all roles in Technical area)</b>  | 27 (2%)              | 59 (4%)          | 86 (5%)               |
| <b>Grand Total</b>   | <b>1023.75 (63%)</b> | <b>608 (37%)</b> | <b>1631.75 (100%)</b> |

<sup>3</sup> FTE - Full-time equivalent (FTE) is a unit that indicates the working time of an employed person. An FTE of 1.0 is equivalent to a full-time worker, while an FTE of 0.5 signals half-time employment. Employees on maternity leave, long-term sick or unpaid leave are not counted as FTE during their leave.

We recognise that issues of inclusion and diversity, whether they relate to recruitment, remuneration, promotion and advancement, are only sufficiently addressed through long-standing commitments. One of our key aims is to maintain the gender balance of our workforce. That is why we regularly analyse our employee gender structure.

**We believe that better diversity brings better innovation and new opportunities.**

Over the next years we are going to increase our efforts in the area where gender diversity can make a big impact. After a baseline review of our workforce by gender, type of role, and specialty, we concluded that there is an underrepresentation of women in technology - a sector where different perspectives and opinions can provide the impetus for great inventions. Considering that one cause for this is the lower number of female applicants for these positions, we have set a long-term commitment to reach 40% female representation in technology roles by 2028.

In addition, despite the fact that there are more women than men among our staff members, there are less women in our executive leadership team - 40% women and 60% men. Similar results are observed when looking at Management Roles (people leaders on levels CEO-1 and CEO-2) which are held by 41% women and 59% men.

We have a range of initiatives related to diversity & inclusion; however, we are aware that more work is necessary. As part of our ambition to build future leaders, we will focus on increasing the proportion of women in senior roles and identify opportunities for increasing gender diversity at all levels. Together with the rest of the PPF Telecom Group, we will establish a Talent Development Programme aimed at increasing the diversity of our talent pool and eliminating any unconscious bias culture that may exist in our company. As part of the Programme, we will introduce modules aimed at encouraging women to develop their career within our company in order to increase female representation in managerial positions.

**Baseline**  
**31% of women in technology roles in 2021**

**Target**  
**Reach 40% female representation in technology roles by 2028**



**Age Break-Down per Function**

| Based on FTE (2021)  | Leadership team | Management | Non-management | Grand total |
|----------------------|-----------------|------------|----------------|-------------|
| <b>Client-facing</b> | <b>0%</b>       | <b>2%</b>  | <b>66%</b>     | <b>69%</b>  |
| <30                  | 0%              | 0%         | 29%            | 29%         |
| 30-50                | 0%              | 2%         | 36%            | 39%         |
| 50+                  | 0%              | 0%         | 1%             | 1%          |
| <b>Others</b>        | <b>2%</b>       | <b>4%</b>  | <b>21%</b>     | <b>26%</b>  |
| <30                  | 0%              | 0%         | 4%             | 4%          |
| 30-50                | 2%              | 3%         | 16%            | 21%         |
| 50+                  | 0%              | 0%         | 1%             | 1%          |
| <b>Technology</b>    | <b>0%</b>       | <b>0%</b>  | <b>5%</b>      | <b>5%</b>   |
| <30                  | 0%              | 0%         | 1%             | 1%          |
| 30-50                | 0%              | 0%         | 3%             | 4%          |
| 50+                  | 0%              | 0%         | 0%             | 0%          |
| <b>Grand total</b>   | <b>2%</b>       | <b>6%</b>  | <b>92%</b>     | <b>100%</b> |

We have established several programmes to achieve our inclusion and diversity targets. Some of our existing initiatives include the internal unconscious bias programme for new managers, which helps them recognize involuntary prejudice and avoid stereotypical thinking and favouritism both during the hiring process and during the overall employee journey.

We are also in the process of creating collaborations with educational institutions in order to reach out to female talent in the tech field. Our aim is to make sure that our recruitment processes are balanced, while we break down any unconscious barriers to growth that may be present in Yettel Bulgaria.

**Furthermore, we believe that adequate and fair pay allows our employees to feel secure and enables them to perform better.**

As we develop our remuneration policies in the years ahead, proper analysis based on internationally established methodologies for gender equal pay will be conducted as we follow our commitment to prevent the existence of a gender wage gap in our organisation.



## Promotion of youth employment



Hub by Yettel

Yettel Bulgaria believes that young people need to receive opportunities for training and practice so they can be better equipped for their future career. That's why we continue our long-standing initiative Hub by Yettel, which allows young people within the last two years of their university studies or recent graduates to work with us for 12 months on real and meaningful projects and see the results of their efforts and contributions. Upon completion of the programme, all interns have the opportunity to be hired into a permanent position. We have had 62 interns who joined the programme within the last 6 years and more than 70% of them are currently working on permanent roles and developing further within Yettel in their professional domain. Our internship programme has been recognized as best practice on the local market through the years by many employer awards.

**62 interns  
for the last 6 years**

**More than 70% of them  
are currently working on  
permanent roles**



## Promotion of youth employment

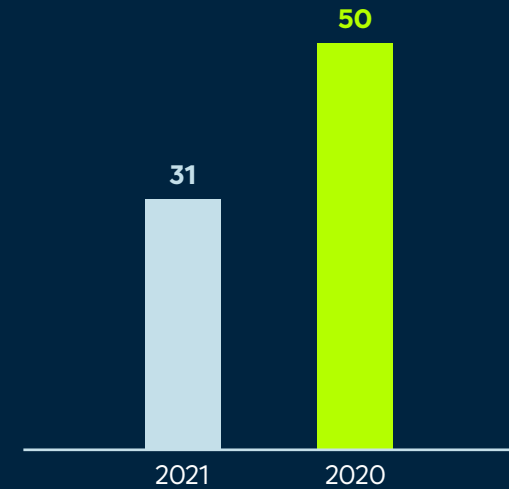


### Second Shift Programme

In addition, from 2021 we offer a summer Internship for children of Yettel employees. The programme is called Second Shift programme (previously 'Summer internship').

This is another unique programme that helps bridge the gap between education and real business needs. The interns of ages between 15 and 19 provide support to the business with basic administrative tasks during the summer period. The duration of the programme is 5 weeks and for 2021 there were 31 participants in total. We already finished the 2022 edition, where 50 participants joined us and worked in various roles. As part of the programme, young people have the opportunity to learn about the company's structure, sustainability priorities, and the company's values. They go through training in handling personal data, information security and project management. The programme concludes with valuable guidance for young people on how to prepare for an interview, how to manage their personal finances and how to prepare for the next stage of their lives - leaving school and entering university.

Number of interns at Yettel



## Helping people with disabilities find employment with us



### Side by Side Programme

To stand by the promise we have given to our employees, we, at Yettel, continuously work to create an inclusive culture and assure that our employees can be themselves and make an impact. To support people with disabilities in their professional development, in 2015 we created our Side by Side\* programme. The participants in the programme have the opportunity to apply for employment in different teams across the company and work on multiple projects for the period of 2 years. In return, Yettel provides an accessible and inclusive environment and multiple opportunities for personal and professional development.

Additionally, for the period of the programme, each participant gets assigned a personal mentor who is an experienced Yettel employee. During each edition, our company corporate psychologist supports the programme through 3 specially created sessions - a session related to the assessment of the future participants, a session designed for the teammates of the future

employees, and a special onboarding session with all programme participants. Additionally, the psychologist is also available for and provides consultations to the participants in the programme, their mentors and the members of the teams they work in on request.

**The programme has been active since 2015 and has provided 29 new colleagues with the opportunity to join the company in different departments. We are glad to share that 10 of them have continued their professional growth in Yettel Bulgaria after completion of the 2-year programme period.**

**Furthermore, the 2021 edition of the programme also provided the colleagues with the opportunity to work fully remotely, and, as of today, 50% of the last year's programme cohort follows this work pattern.**

The multiple successful editions of the programme helped us learn more about disability inclusion at the workspace. Realising the need of increasing the



employment opportunities for people with disabilities on the Bulgarian job market, we further engaged in facilitation of few best-practice-sharing events among employers in the country, where we had the opportunity to share with colleagues from various industries how the programme was initially set-up, the lessons learnt from its first editions, as well as the positive effects we have seen among all our employees.

The programme and our efforts in the disability inclusion area have been recognized by multiple organisations over the years. At the 2020 Career Show Awards, Yettel received two gold awards, one in the Strategy for Tolerance category and one in the Inclusion category. During 2021, the programme has also won the Bulgarian Project Management Award in the Social and Corporate Responsibility Project category.

\*Side by Side Programme has operated under the name Open Mind until the end of 2021



### 3.3. Employee training and development

Yettel Bulgaria is committed to ensuring that all employees have access to learning and development opportunities.

We understand that our success depends on the talent, qualifications and continuous development of our workforce. Our learning and development opportunities help the organisation achieve its strategic objectives and are in alignment with our corporate culture, as they enhance the employees' knowledge and prepare new employees for success at Yettel.

**Our approach to planning annual training is defined by the Local Training Strategy.** On an annual basis, the Talent Development Department in collaboration with the Human Resources Business Partners and Business leaders identify the company's training needs and set priorities for the corporate training agenda. The training needs are defined based on the company strategic objectives for business development, the learning and development needs identified through the annual talent reviews within the performance management cycle, and interviews with leaders, and cover the areas of performance improvement, talent retention, existing capabilities, upskilling, as well as building future knowledge and skills for employees. In 2021 we invested in developing a tailored programme for Project

Management for our employees engaged with small and mid-sized projects. The comprehensive 6-module programme was kicked off in December 2021. More than 80 employees participated in it within 2022.

We follow a structural approach to the training, reflecting the level of employee engagement within the company. We offer onboarding training for each new employee that covers our values and principles, mandatory policies, and information about the different departments of the company and their functions. Tailor-made training is offered to our client-facing staff, which involves familiarising them with products and services, understanding data privacy and confidentiality and how to responsibly handle client data daily. Further, as we believe that all our colleagues should understand the perspective of our clients, we have just launched a new module of our onboarding training which allows every new employee of the company to spend at least one day at a Yettel store.

We further make sure that newly appointed managers receive proper training, including several modules on people management skills, emotional intelligence and leadership skills. In this respect, managers also receive unconscious bias training which is meant for them to reflect on their recruitment approach and avoid any stereotypes, prejudice or bias they might have towards new job candidates.



**In 2022 more than 80 employees participated in a tailored programme for Project Management**

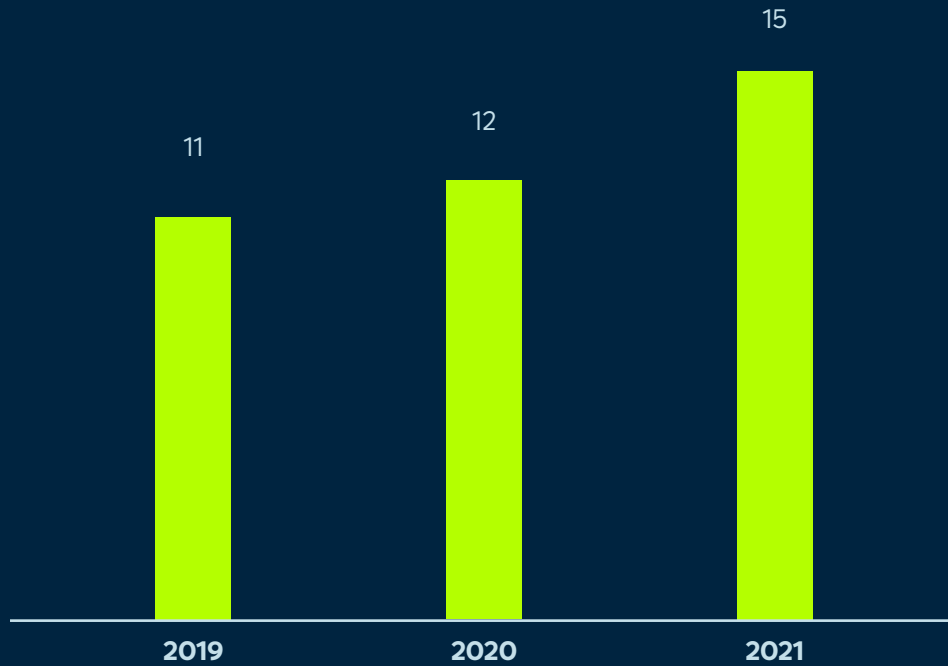
One of our main programmes for employee development is EduGrants. The purpose of the Educational Grants Programme is to support the individual learning and development needs of employees of Yettel Bulgaria in line with the company strategy. This is a great chance for those who are highly motivated to increase their qualifications with the financial support of the company.

The programme offers employees the opportunity to apply for different types of qualifications – Executive MBA, mini-MBA, chartered qualifications or other qualification training in highly renowned educational institutions. Prior to applying, applicants undergo a discussion with their manager in order to validate the skills and knowledge required, as well as development needs of the respective department. For all successful applicants, the talent management team provides ongoing support when it comes to enrolments, payments and any other administrative needs and follows up on completion status.

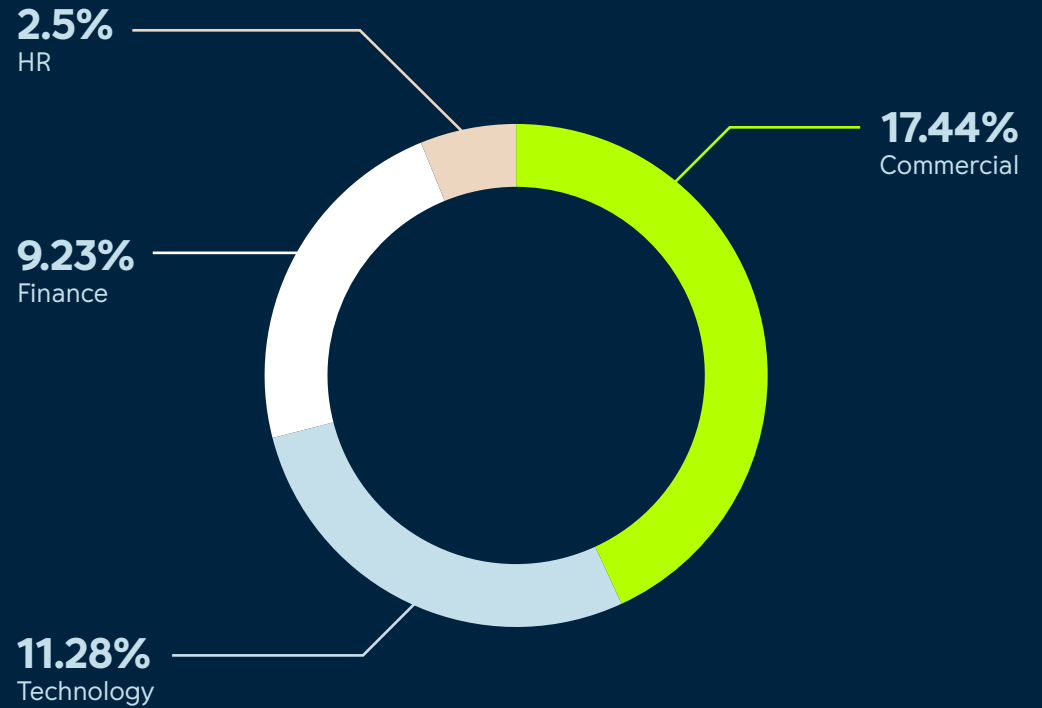
## Grant Categories 2022

|  <p><b>Executive MBA</b><br/>1 Grant at up to BGN 20 thousand</p>                        |  <p><b>Mini-MBA</b><br/>3-5 Grants at up to BGN 5 thousand</p>  |  <p><b>Chartered Qualification</b><br/>3-5 Grants at up to BGN 10 thousand</p>          |  <p><b>Expert Qualification</b><br/>5-7 Grants at up to BGN 3 thousand</p>  |
|---|--|--|--|
| <p>MBA programmes at partner universities such as AUBG, Cotrugli, Sheffield.</p> <p>Other universities could also be in scope.</p> <p>Programme duration: 12+ months.</p> | <p>Mini-MBAs that focus on parts of EMBA.</p> <p>Could give credits for EMBA.</p> <p>Programmes at partner universities such as AUBG, Cotrugli, Sheffield but also London School of Business and Finance, the Business Institute.</p> <p>Programme duration can vary from few days course to few months.</p> | <p>Professional qualifications such as ACCA, CISSP, ISC, CIPD, NSE, MCE, CompTIA, PCM, CIM, etc.</p> <p>Programme duration can vary from few day course to few months.</p> | <p>Any course that further develops existing skills or allows gaining new skills in specific domain.</p> <p>Courses needed for direct work of employee and refer to their upskilling on current job or in line with personal career plan.</p> <p>Duration can vary from few hours to few months.</p> |

### Number of People Participating at the EduGrant Programme, 2019-2021



### Break-Down of Participants at EduGrant Programme by Functional Area



For 2021, 15 employees took advantage of the educational grants, whereas, since the start of this programme, **over 38 people have undergone an EduGrant training.** EduGrant continues running.

As change always starts from within the organisation, we are currently planning to introduce training related to sustainability in line with our Strategy.

**We are aiming to achieve 100% participation by senior management and at least 50% participation by all employees in 2023.**

This educational programme would be done in collaboration with the rest of the members of the PPF Telecom Group.

## 2021 Training and Development Highlights



**We invested more than BGN 300,000 in learning and development.**



**We invested BGN 100,000 for EduGrants.**



**100% of our employees receive at least one performance review annually.**

However, there are departments, such as Sales, where reviews are issued more frequently. Our client-facing personnel, for instance, receives a review once every month.

### 1,319 employees completed mandatory security trainings

The topics covered are:

Avoiding Dangerous Attachments

Avoiding Dangerous Links

Beyond Passwords

Data Protection and Destruction

Email Attack Methods: Malicious Attachments

Email Attack Methods: Malicious Links

Password Management

Physical Security

Protecting Against Ransomware

Social Engineering

Suspicious Emails

When to Report

URL Fundamentals

### 1,236 employees completed other non-mandatory trainings

The topics covered are based around trainings in the areas of:

Professional Non-Technical education – Business professional qualification

Security Awareness Training Programme

Leadership Programme

Professional Technical Training

English Language

#### Average training hours per FTE in 2021

| Employee | Average training hours per FTE |
|----------|--------------------------------|
| Female   | 19.7 h/FTE                     |
| Male     | 21.4 h/FTE                     |

### 3.4. Mobile telecommunication technologies and public health

The health and safety of all our employees and the wider public is our top priority. Compliance with the applicable EU and national health and safety regulations is a pre-condition for us to operate in a safe and efficient manner.

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

These guidelines incorporate substantial safety margins to deliver protection for everyone. We fully comply with such limits, including new devices for 5G, new radio masts and small cells, as well as the EU toolbox for 5G security (the toolbox lays out a range of security measures aimed at mitigating risks effectively and ensuring that secure 5G networks are deployed across Europe).

However, some people still remain concerned about the impact of mobile devices on their health, thus we are actively engaging in industry-wide initiatives that foster an open dialogue. For example, we are communicating with the owners and inhabitants of houses on which we want to build base stations (BTS) about any potential risks and what we do to mitigate these.

CETIN, as the infrastructure provider, ensures that its active site infrastructure is designed and built to comply with the applicable electromagnetic fields

emissions (EMF) standards and regulations, including the internationally recognised standards of the ICNIRP.

The applicable local legislation requires the active telecommunication infrastructure to comply with certain requirements in order to be able to operate.

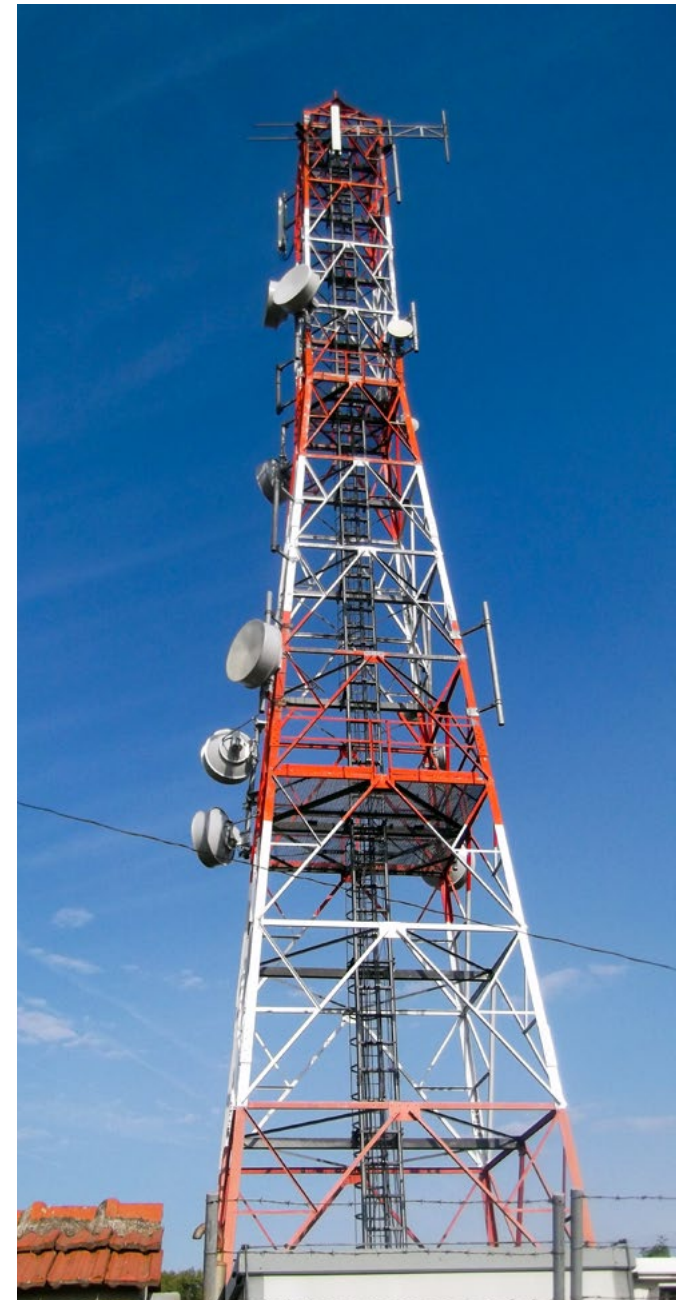
#### There are two levels of control in that process:



**The first level** is preventive control, which is being carried out at the design level of the transceiver station, i.e. before construction is permitted. During this period, we work with the local authorities in order to grant their approval of the project, as well as go through preliminary sanitary control from the Ministry of Health, which assess the compliance between the planned parameters of the base station and the regulatory requirements. Granting both types of approvals is mandatory for the base station construction authorization.



**The second level** of control takes place when the station construction is complete and is mandatory for its commissioning. It includes on-site measurements of the electromagnetic radiation at the relevant base station (EMF protocol is issued) and in the event that there are no deviations from the regulations, the built infrastructure is put into operation.



Any subsequent change to the elements of the receiving-transmitting station requires undergoing the full permit procedure again (in the case of structural changes) or a light registration procedure (in the case of equipment changes). **The registration procedure also has a two-level control – obtaining a preliminary sanitary control permit before installation, and measurement of electromagnetic radiation (EMF protocol) and registration after the installation.**

As a holder of the spectrum licence, Yettel has the ultimate accountability for assuring radiofrequency EMF emission compliance with the international and local guidelines. The network deployment process contains an evaluation of the relevant hygienic requirements, including radiation limits, as part of the standard project documentation, and all network-related processes are subject to regular audit activities (both internal and external ISO 14001 and ISO 5001 compliance audits).

The mobile devices that we sell via our retail offering must also comply with strict health and safety national and local standards and regulations. Before launching a mobile phone onto the market, manufacturers and importers must ensure that all relevant tests have been carried out and demonstrate that the mobile devices comply with all limits and other requirements set in EU directives. During 2021, not a single non-compliance with the local and EU regulations in regards to our products and services have been identified.

## Best practice at Yettel and PPF Telecom Group:



**Operation of mobile networks within national guidelines**, which are based on or go beyond the international guidelines set by scientific bodies, such as the International Commission for Non-Ionizing Radiation Protection (ICNIRP).



**Implementation of programmes that guarantee compliance with electromagnetic field (EMF) regulations** under all possible operating conditions.



**Regular monitoring** of the findings of independent national and international expert bodies on the topic.



**Establishment of teams to address concerns associated with electromagnetic fields (EMF) and 5G**, whilst also remaining aware of and informing stakeholders of topics related to mobile communication and health and safety.



**Active engagement with municipalities, local industry associations and advocacy groups** regarding network deployment.



## 3.5. Sustainability for our communities

### Material topic: charitable and social investments

The environmental, social and governance topics are becoming more and more popular across not only businesses, but also wider society. In order to achieve the Sustainable Development Goals and any other targets set under this umbrella, a sense of shared responsibility has to be developed between 3 main groups of stakeholders – businesses, consumers and governments. And while businesses are becoming more and more aware of the importance of the topic and governments across the EU are working to advance their laws, policies and regulations to support these crucial transitions, it is consumers that also need to be further educated and upskilled in the areas where change is required.

In order to support the society during this transition, we have worked on setting two separate goals, aiming at increasing the company's contributions to the society, as well as raising awareness about leading a more sustainable lifestyle.

- To spread the sustainability spirit outside of the organisation, we have set the goal of engaging our employees in volunteering initiatives with the target of reaching at least 1,000 working hours per year dedicated to community service.
- Focusing on our customers, we acknowledge the growing need of the society to learn more about the sustainable way of living, and, for this very reason, Yettel Bulgaria has set a goal to reach 2,500,000 people yearly through campaigns raising awareness on sustainability topics.

**Our goal:  
Engage our employees in volunteering initiatives  
with the target of reaching at least 1,000 working  
hours per year dedicated to community service**

We have already launched our first project within this initiative called Blue Gardens – The Telenor Forest.

In April 2021 nearly 80 people – Telenor Bulgaria employees and their families, took part in the afforestation of Telenor's forest – Blue Gardens, in Plana Mountain. The volunteers planted more than 350 spruces. The team also prepared the terrain for afforestation in advance, performing cleaning and marking activities before the afforestation itself.

Acknowledging the need of providing opportunities for volunteering which support various sustainability aspects, we are currently working on designing a comprehensive volunteering programme, which will provide our employees with the opportunity to choose from a wide range of activities to participate in and, in this way, support the needs of their local communities.



**Our goal:  
Reach 2,500,000 people yearly through campaigns  
raising awareness on sustainability topics**

Thus far we have devised two different approaches toward our goal of reaching 2,500,000 people annually with the purpose of raising awareness on the sustainability topic:

**1. TV advertisements**

We have adopted an approach of using the opportunity provided by TV advertisements to reach as many people as possible through combining the positioning of Yettel products and sustainability topics.

For example, one of our 2022 commercials advertises Yettel's Recycle & Save programme, while also covering an element of sustainability awareness inside through focusing on the importance of properly disposing one's old devices.

**2. Engagement in social media channels**

We are working on creating bite-sized communication on sustainability matters to be shared through the company's social media platforms. The information pieces strive to further educate on various sustainability topics.



**Easy for you,  
in balance with nature**



## 4. Accelerating technology for a sustainable future

The COVID-19 pandemic catalysed the already-accelerating rate of the digital transformation, as the old ways of doing things – from grocery shopping to work-changed irreversibly. Digital skills have never been more critical to the business and the workforce, which was demonstrated by the universal shift to digital-first interactions like remote work, online commerce and virtual collaboration. While this change has come with many benefits, like greater flexibility for workers and removing geography as a barrier to hiring new talent, **it also resulted in widening of an already-large skills gap**. As of today, providing digital education to all people is a key to ensuring their employability and adaptability into a new digital world.

With the digitalisation of today's life, the topic of online safety continues to persist as a challenge. This is especially relevant for children who are more likely to become victims of unfaithful internet practices.

Taking these new factors into account, we aim to help build the digital economy by ensuring inclusive and safe access to connectivity, supported by the continuous rollout of solutions for 'smart' businesses, homes and people. We invest in our networks, products, and services to provide reliable and quality connectivity to all and implement measures which ensure maximum security using the most appropriate technology, innovations, specialised applications and services, as well as educational tools.

Our efforts are focused in 4 key directions:

**Tackling the digital divide by providing reliable connections to all**

**Promoting digital education and awareness**

**Developing smart solutions that benefit people and the environment, and minimise harm**

**Safeguarding cyber security, digital, and personal data**



## 4.1. Tackling the digital divide by providing reliable connections to all

Nowadays access to internet data and telecommunications services is linked to high-economic benefits, better public services as well as higher productivity. Broadband access allows urban and rural communities to seize opportunities and participate meaningfully in the national and global markets. The digitalization trend spurred by the COVID-19 pandemic further increased the necessity for fast and reliable network coverage that would address the need for social connection, remote work and virtual education. We are aware that next to digital skills and the availability of devices, it is our responsibility to provide infrastructure connectivity that excludes no one from the possibility to make use of online services. We are dedicated to connecting people, integrating societies and supporting markets. Our ambition is to provide sustainable internet access by improving and expanding our existing infrastructure and coverage in line with PPF Telecom Group's commitment to support the EU in ensuring access to reliable internet for all European households by 2030.

**We shall do our best to make 5G connectivity available to 85% of the Bulgarian population by the end of 2026. In urban areas (>30k population), we aim for our 5G network to deliver connectivity speed above 1 Gbps.**

To fulfil these goals, together with our partner CETIN, we design, build, and operate high quality networks, and provide innovative solutions without any compromise on security. We are well positioned to enable rapid and cost-effective transition to optical fibre and 5G networks. However, sometimes conditions do not yet allow for high-quality optical connectivity and, at such instances, we are still employing the capacities of our existing mobile networks. Such diversity allows us to connect as many people as possible, even in areas that might have otherwise been difficult to reach. In the age of digitalisation, we are trying not to leave anybody behind.

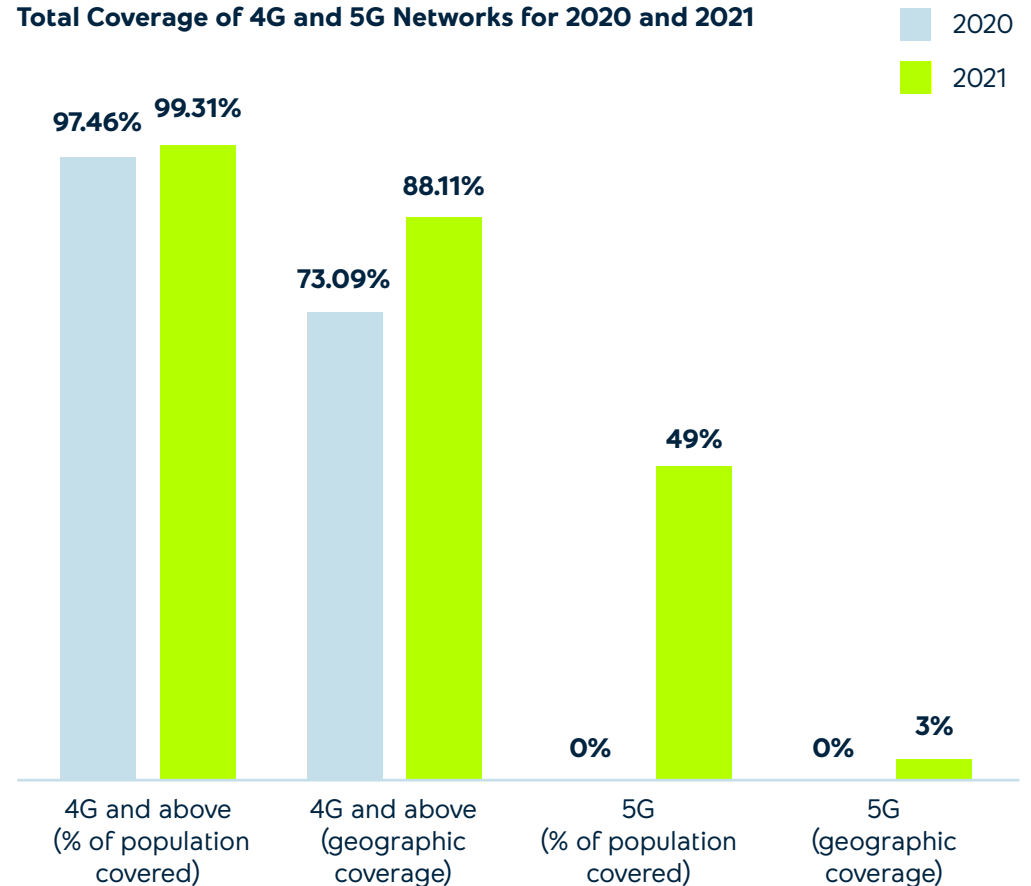
Together with our network partner CETIN, we started rolling out our 5G network in the second quarter of 2021, and currently operate more than 1,000 5G base stations installed throughout Bulgaria, covering close to 49% of the population. The majority of the existing 5G stations operate on C-band frequency, allowing Yettel Bulgaria to provide its customers with mobile broadband service with a download speed of up

to 1 Gbps. To achieve 5G coverage alongside major roads, in rural areas and deep indoor, we plan to start using the 700 MHz frequency band from 2023 onwards.

In addition to mobile broadband data service, our 5G network acts as the backbone for the fixed wireless access (FWA) service offered by Yettel Bulgaria. The service provides uncapped, high-speed data access with throughputs of up to 300 Mbps (depending on the plan selected).

The approach outlined above has helped us expand our 4G and 5G coverage drastically and make significant progress in the goal of connecting all Bulgarian citizens. Our current 4G and 5G coverage is presented in the table below. You can also find an interactive map of our total network coverage [here](#).

**Total Coverage of 4G and 5G Networks for 2020 and 2021**



## 5G at Yettel

The efforts in expanding our 4G and 5G network coverage in Bulgaria have contributed and continue to contribute to the EU's goal of ensuring access to a reliable internet for all European households by 2030. Through the expansion of our network and the subsequent improvement of services available we provide people with the opportunity to work remotely. Additionally, our infrastructure projects ensure that people and households have access to all kinds of online services, including those provided by financial institutions, as well as health-related consultations and many more. For the economy, these advancements mean growth in underdeveloped areas due to the increased access to internet data, which could potentially slow down urbanisation and contribute to improving the standard of living in rural areas.

In order to take advantage of these trends, first, we focused on winning the trust of our clients. Prior to our roll-out of the 5G network, we launched a strategic information campaign in order to introduce the technology and offer people a chance to express their concerns. We divided the campaign into three main phases.

### Information phase (pre-launch)

We were able to utilise different communication channels and, in this way, provide the general audience with information about 5G.

We started with an **informational hub on Yettel's website** where we gathered useful articles related to our community's most common questions about 5G. We amplified it with **social media posts**, traditional media engagements and a **dedicated email 5G@yettel.bg where users could ask questions**. In the meantime, we launched **a special video series – 5G Talks** explaining how 5G works. We also spoke with technicians and technical journalists who explained the core of 5G in an easy-to-understand manner and we also covered the benefits of introducing the 5G technology in our lives, including gaming, working, driving our cars, organising smart homes, etc. Naturally, we dedicated a special part of the series to the Network Operation centre, so everybody could peek into the world of technology and discover who is behind our fast connection.



## Launch

An official event, where we gave start to our 5G network and showcased all the use cases, i.e. how we can enjoy 5G here and now.



The results from the campaign went beyond our expectations:



**Over 100 guests** (officials, major business owners, media representatives) attended the official Launch event.



We had **over 50 media articles** covering the launch, which generated **over 80,000 views** and **781,592 impressions**.

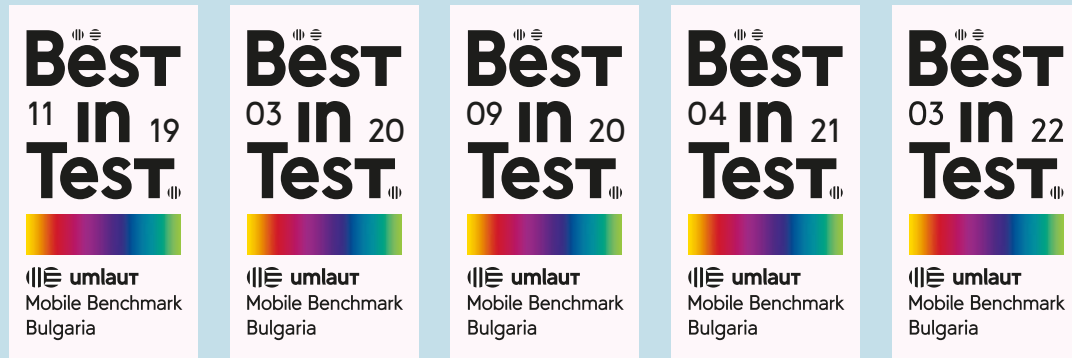


**Over 69,624 people** were reached out and **3,720 engagements** generated from our social media posts.

## Engage

During that phase we showed the audience that 5G technology is available to everyone to enjoy and benefit from the 5G technology.

**best  
network**



**Furthermore, the 5G roll-out has further improved our network and Yettel has won the 'Best in Test' award by Umlaut for the 5<sup>th</sup> consecutive time.**

Umlaut's mobile benchmarking is concentrating on recent developments like 5G user experience, video experience, reliability and new developments in our crowdsourcing data, such as voice call evaluation. The Fixed Broadband Benchmarking introduces active testing components to the existing set of evaluation criteria like download speed, upload speed and latency for broadband technologies across copper, cable and full fibre. The scoring methodology includes a worldwide ranking on country level.

For the latest measurements in Bulgaria, extensive analysis has been done and 34.5 thousand users have contributed 68.6 million samples in 6 months (W38 2021 to W09 2022). In the nationwide assessment, 95.3% of the urban built-up area and 96.1% of the population area were tested. With an overall score of 927 points, Yettel's network has ranked the best in Bulgaria for the fifth consecutive year and ranks among the top 25% of mobile networks tested by umlaut worldwide in 2021/22. The fifth Best in Test is also momentous as it now includes our rapidly expanding 5G network which today covers over 165 cities around the country. This award is the highest attestation of teamwork and excellent collaboration between Yettel and CETIN Bulgaria and is proof of the heights we can reach when we are united in our mission to lead the way for telecommunications in Bulgaria.



## 4.2. Promoting digital education and awareness

A survey undertaken by UNICEF in 2020 shows that:

**Only 57% of children aged 15-19 consider their digital skills at or above basic level in Bulgaria**

**An average of 82% of children aged 15-19 consider their digital skills at or above basic level among the EU member states**

**More than 1 out of 7 children below the age of 18 admit that they have been victims to online violence, mainly through social media networks<sup>4</sup>**

It is with this reality in mind, that we have developed a strategy to promote digital education and awareness within the Bulgarian society and especially among children. In particular, we maintain a sharp focus on the task to develop digital skills and literacy among the population, and to raise awareness of the potential threats that the new technology may pose.

**Our goal:  
Reach 40,000 children on the topic of online safety and 10,000 people on the topic of digital literacy annually**

Our progress towards these goals comprises a wide range of methods such as educational campaigns, providing information and training to those that feel vulnerable or are in need of assistance in order to minimise online threats.



<sup>4</sup> UNICEF launches digital literacy campaign - New generation with critical thinking. Available from: [www.unicef.org/bulgaria/en/unicef-launches-digital-literacy-campaign-new-generation-critical-thinking](http://www.unicef.org/bulgaria/en/unicef-launches-digital-literacy-campaign-new-generation-critical-thinking)

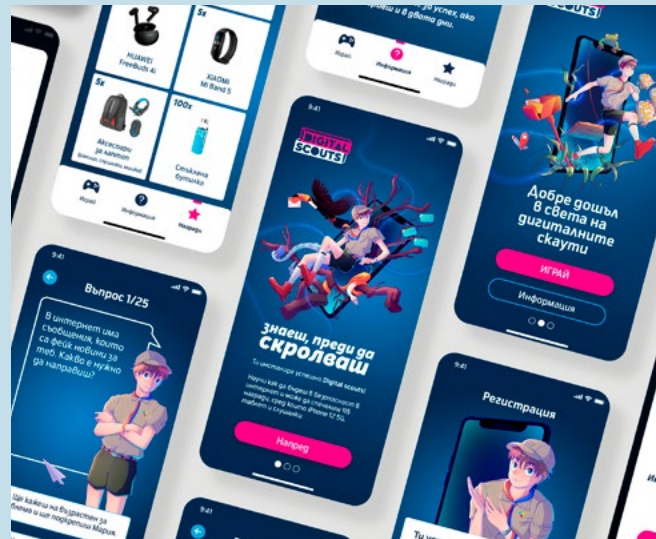
## Digital Scouts – Making the Internet a Safer Place

Our business aims to provide connectivity to more and more people while assuring that the online environment is safe and secure for everyone. Our long-running 'Safer Internet' programme has been designed to answer the growing needs of the young Bulgarian population to access easy-to-understand information about the online dangers and how they can be avoided. As technology evolves, the same has happened with the programme, which has historically included multiple campaigns, activities and training aimed at spreading knowledge on the topic through creation of various educational resources for children, as well as their parents and teachers.

In 2020, we continued enhancing the programme and added a series of educational videos on online safety and digital literacy for kids. Developed in partnership with the Bulgarian Safer Internet Centre, the video lessons were targeted at children and teenagers and were stored on a dedicated website. Part of the topics covered by the open educational resources were the identification and protection from fake profiles online, protection and management of children's smart devices, Web of Trust and fake news identification. This digital education and awareness programme won Yettel an award at the IAB Mixx Awards 2020 in the Best Social Campaign category.

Answering the needs of the youth for a more interactive engagement on the topic, in 2020 the Digital Scouts campaign was born. Digital Scouts is part of the Safer Internet programme and provides a space where children are able to learn while playing on a dedicated mobile application. The game brings together children from all over

the country for a 24-hour quest, where they have to answer questions and navigate through online situations that ultimately teach them how to recognize and avoid dangerous scenarios in the digital world. They compete against each other in a race testing their digital skills and knowledge on topics such as online bullying, password security, identity theft, phishing, malware, and many others. Kids also get tips about information sharing on social media accounts and how they can spot online predators, among others.



**During its three editions, that took place in 2020 and 2021, the Digital Scouts initiative managed to reach out to a total of 17,000 and 39,000 children, respectively and, in this way, taught them more about the topic of online safety.**

### 4.3. Developing smart solutions that benefit people, the environment, and minimise harm

**We aim to support the development of one solution that tackles social or environmental needs per year that will help our customers become more sustainable.**

We will achieve that through investing in research and development of innovative products, solutions, and projects which use digital technologies to tackle environmental and social needs.

In addition, we are to become part of the newly established PPF Telcom Group's Centre of Excellence and Innovation Hub (CEIH) over the next 12 months, with the intention of bringing together the best experience, talent, and resources, co-operating with universities and businesses, in order to identify and develop leading innovative technologies (e.g. Internet of Things) that benefit people, with the ultimate goal of commercialising these via a successful rollout of the products and services across the group. The CEIH will set clear targets, which will become synonymous with the PPF Telecom Group's technology-focused sustainability goals.

A project that is already underway in this area is **our collaboration with Findy** for the purpose of providing energy efficiency and smart metering in Bulgaria. Through this project, Yettel Bulgaria supports the measurement of different consumption indicators (electricity, water consumption, etc.) in different public buildings in Bulgaria. Our current role is to provide safe and secure connectivity for various energy measurement devices and in this way assure that results are gathered and reported properly, which in turn would enable electricity or water efficiency. **Currently, we have supported the installations of these solutions in more than 100 different premises in Sofia and are to continue the collaboration as the Findy project expands across various locations.**



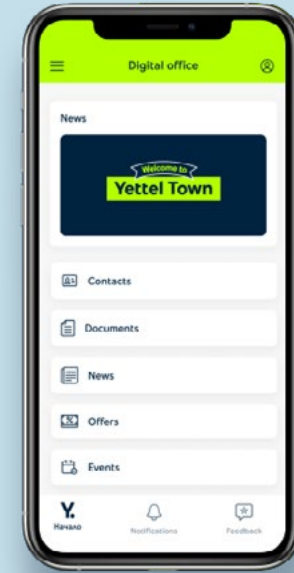


## Digital Office – Put the office in your pocket!

Our employees and their daily work-related administrative activities served as inspiration for the creation of an application, fully developed by Yettel, which also became part of our B2B portfolio, aiming to support Yettel's business clients on their journeys towards sustainability.

The Digital Office application was developed 5 years ago with the intention to digitise basic administrative processes at Yettel. As time went by, the application was further enhanced to serve the needs of the employees and today approximately 95% of our workforce uses Digital Office on a daily basis as a primary information source. Among the main functionalities available for internal use are the digital signing of documents, signing-up for various events in the company, submitting requests for sports cards, booking of bikes and company vehicles, participation in different company-wide challenges and sharing thank-you messages among colleagues. The platform also provides quick access to employee contact details, working hours of Yettel stores and information about company-provided shopping and entertainment discounts.

Seeing the positive results coming from the internal use of the application, Yettel launched the product on the market for its B2B customer base to provide them with a solution towards digitalisation. Currently, 8 main modules are offered for external use, among which are:



**Contacts – providing contact information about all company employees**

**Surveys module**

**News – place for the important updates about the company (which are also shared by push-notifications in the application)**

**Procedures – module, which stores all policies and procedures each employee should be aware of**

**Offers – place for all employee discounts**

**Module for sending thank-you messages to colleagues**

**Open job positions across the company**

**Events sign-up module**

The platform supports both Bulgarian and English languages, which also makes it suitable for international companies. The application is developed in compliance with GDPR regulations and provides security by using encryption algorithms.

The Digital Office application supports Yettel and all its business customers to reduce their environmental footprint through minimising the need of printing and storing physical documents.

**As of today, it has been estimated that the use of the application in a company saves on average 15,500 A4 paper sheets per year.**

We continue enhancing the application, based on the needs of our employees and the feedback and requests received from our customers.

## 4.4. Safeguarding cyber security and personal data

At Yettel, we work to protect our customer data, assure confidentiality and integrity, and protect the continuity of our services. These three areas are key priorities for us. Non-conformities with the personal data protection regulations and personal data breaches could lead to considerable sanctions, reputational damages, but most importantly – significant loss of customer and employee trust. With that in mind, the company has implemented a robust and comprehensive set of internal policies, processes and routines that aim to ensure lawful, fair, and transparent

processing of personal data throughout its entire life cycle.

Our data protection programme follows the principles of the Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation or GDPR), through:

**Lawfulness, fairness, and transparency** - we have adopted a set of internal manuals to address fundamental privacy considerations relevant to the processing of personal data of our customers, job applicants, employees, contractors, and visitors, as well as particular rules applicable in given context, such as customer acquisition and/or care; providing and acknowledging privacy notices; collecting informed, unambiguous (or explicit), and freely given consents; exercising data subject rights; submitting complaints pertaining to privacy and their subsequent review, investigation and resolution, etc. To ensure maximum data protection, we have adopted several policies governing data processing and various mechanisms such as encryption, anonymisation and pseudonymisation for both 'data in transit' and 'data at rest'. For questions and inquiries regarding the processing of personal data, all clients and individuals may contact our Customer Service Centre on Yettel's webpage. Through Yettel's Customer Service Centre the clients can contact our Data Protection Officer who aims to address all questions and concerns in a timely manner.

**Purpose limitation, data minimisation, and data accuracy** - before commencing any new processing operation or changing an existing one, it is assessed in terms of necessity, proportionality and legitimacy, in order to minimise over-collection of data, function creep, or processing of inaccurate, erroneous, or outdated information.

**Accountability** - our data processing operations are set up in a manner that allows us to demonstrate, with relative ease, that the aforementioned principles are duly followed, e.g. through the use of logs, documentation of decision-making processes, various assessments, and others.

**Integrity and confidentiality** - we have adopted numerous policies, manuals and guidelines which aim to ensure appropriate security of the personal data, including its protection against unauthorised or unlawful processing and against accidental loss, destruction or damage. They are applied by all employees at all levels of the company, and are a crucial element of our vendor/partner management processes.

**Storage limitation** - as a company which provides publicly available electronic communication services, Yettel Bulgaria EAD is subject to strict data retention laws which apply in addition to GDPR. That is why we have adopted a comprehensive data retention schedule which specifies the useful life of the processed personal data. Following the expiry of the applicable retention period, personal data is either destroyed (if processed in physical form, such as documents), or made anonymous through the irreversible and permanent replacement of direct/indirect identifiers with generic information which cannot be traced back to a specific individual. Destruction and anonymization is carried out on a regular basis - daily, quarterly, or annually (depending on the type of information and the processing media) and in accordance to our internal guidelines and rules.

From the moment of its acquisition by Telenor Group and until now - as part of PPF Telecom Group - Yettel Bulgaria EAD builds its network by introducing an additional level of security. Leading recommended practices and strict telecommunications guidelines have been implemented and continue to be improved. We maintain a set of certifications and attestations to validate and demonstrate our compliance – our information security management system is certified as per ISO/IEC 27001:2013, the IT Service management system is certified as per ISO/IEC 20000-1:2018, whereas our privacy information management system was certified under ISO/IEC 27701:2019 in April 2022.

## Cybersecurity and Information Security Management System

The information security management system covers all technological domains and provides policies and technical controls in full scope of the recommendations in the ISO 27002 list. Within the scope of the system, and in particular in the local security manual, there are specific requirements for managing suppliers - organising remote access, organisational and technical security requirements, as well as references to the company's overall supplier management policy. Specifically, such principles are: for all contracts, the company must consider the value and applicability of the relevant measures and obligations, such as, but not limited to:

- **Commitment to a set of requirements based on international standards such as 'ISO/IEC 27001', 'ISO/IEC 27002' or similar, with or without warranty from third parties**
- **Obligation for the provider to monitor security and report results to the company on a regular basis or to provide data enabling the company (or other partners or suppliers) to perform Security Monitoring**
- **Right of the company to carry out or require security audits, regular security tests and vulnerability scan results**
- **Business continuity requirements consistent and related to the company's plans, where applicable**

As part of the requirements of the Information Security Management System and in order to effectively protect information and communication systems, the company has implemented the following measures:

- **Inventory of information assets**
- **Introduction of additional measures related to the management of user credentials (usernames and passwords)**
- **Prioritisation of information assets at company level**
- **Policy and rules for controlling remote access for maintenance, administration and introduction of changes in systems**
- **Documenting the current state of play of the risk profile of information assets**
- **Policy for cyclical and detailed scanning of all resources available from the internet with subsequent analysis and corrections of detected vulnerabilities**
- **Policy for checking the competence of the SMS and testing the protective copies made**
- **Policy for cyclical and detailed scanning of internal resources with subsequent analysis and corrections of detected vulnerabilities**
- **Assessment of the status of information assets in terms of cyber vulnerabilities (old versions, available corrections, etc.)**
- **Periodic analysis of all remote access to systems and checks of control mechanisms**
- **Verification and update of cyber attack action plans for business continuity**

A key enabler for the success of every company's data protection programme is its staff's awareness and competence on data protection matters. With that in mind, we regularly provide privacy and security guidance through our internal communication channels and ensure that all employees complete regular security and privacy training.

To maintain high standards of cyber security every three months our employees undergo cyber security training. At the end of these trainings, there is a test to be completed with a threshold of 80% for successful passing.

## 5. Acting with integrity and transparency

### 5.1. Corporate governance, business ethics, regulatory compliance

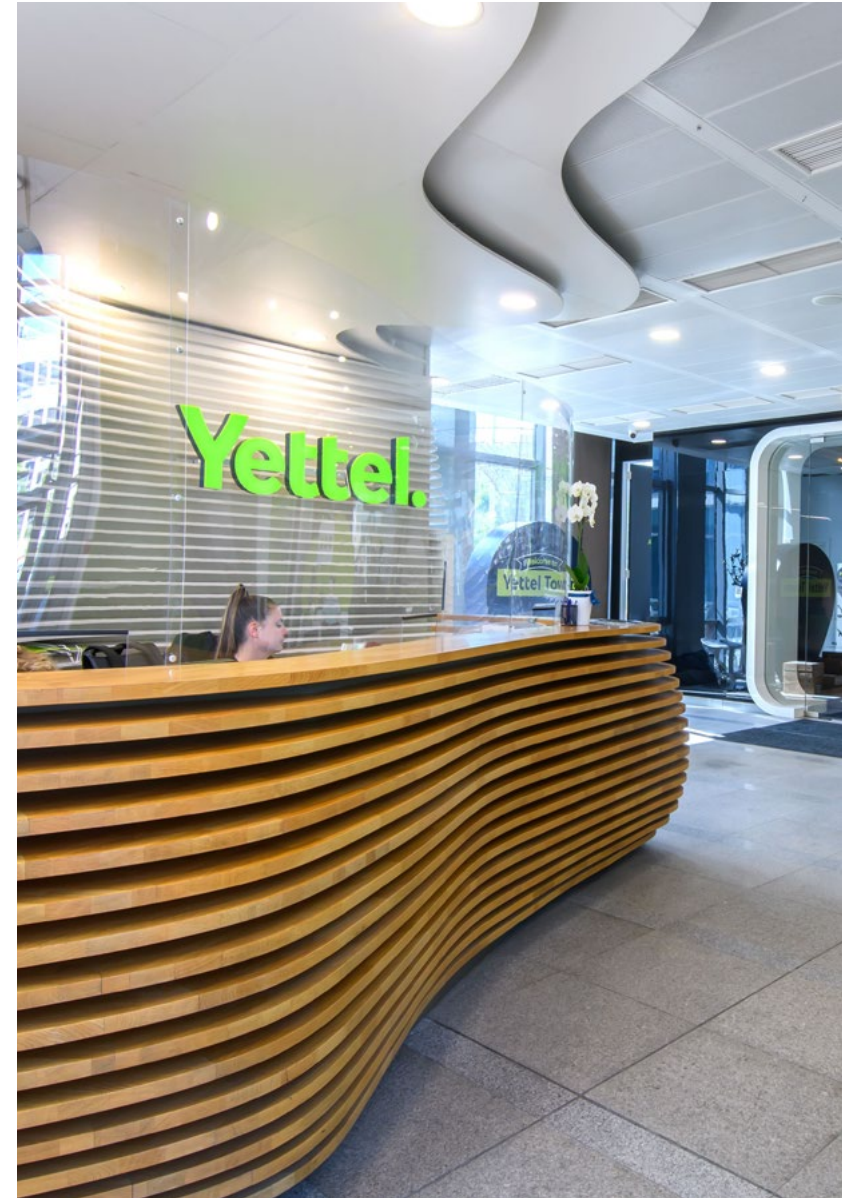
At Yettel Bulgaria, we comply with legal regulations, international treaties, rules of ethics, morals, and fair commercial conduct. In order to conduct our business lawfully, ethically and with integrity, we have adopted several policies containing important rules which apply to all employees at Yettel Bulgaria. Each policy has an owner who ensures that all governing documents and respective principles and requirements are effectively communicated to all interested parties.

**All employees of Yettel Bulgaria, without exception, are expected to follow the Code of Ethics, part of the Corporate Compliance Programme of the PPF Telecom Group.** The Code of Ethics which is based on the PPF Telecom Group Code of Ethics and adopted with a decision of Yettel Bulgaria Board of Directors, contains our fundamental principles and values and ensures that we operate lawfully. **Our company does not tolerate any form of bribery or corruption, refrains from engaging in any type of anti-competitive behaviour, strictly prohibits any form of harassment, intimidation, forced or illegal labour.** Our governing documents also address the adoption of appropriate, preventive, security measures in order to protect the health of the employees, as well as the confidentiality of sensitive and private data of its employees, customers and business partners that it has obtained in relation to its activities.

In addition to the Code of Ethics, we have different types of governing documents which manage the risks of non-compliance and inefficient business performance for selected areas. They state the main principles and requirements for conducting business in key areas and functions and are mandatory for execution. **Our most important internal document in this area is the Ethics and Compliance Policy which builds upon the Code of Ethics.** The Policy is easily accessible and clearly visible on the local intranet and on other internal communication channels. Apart from ensuring that no employee engages in acts of corruption, including bribery, facilitation payments and trading in influence, the Local Ethics and Compliance Policy addresses conflicts of interest that may go against the company's best interests, introduces our supplier due diligence policy, and our grievance mechanisms which are important for avoiding unacceptable risk and ensuring integrity of our operations.

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

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



## Conflicts of interest

Our Local Ethics and Compliance Policy describes the processes for our highest governance body which ensure that conflicts of private interests that hinder or may be reasonably expected to hinder the officers in making decisions of Yettel's best interest are mitigated. The Policy describes when such an interest should be disclosed (employee-owner holding 50% share capital/voting rights at competitor or contracting partner, an employee who is able to influence the decisions of the competitor/contractual partner, who profits from a decision to contract another party), the evaluation procedure and the consequences of the interest. The policy also mandates the Ethics & Compliance Officer to order a new investigation into the conflict of interests when needed on the basis of information they received and to record interest disclosures and evaluations which are recorded by the Ethics & Compliance Officer in a Conflict of Interests register.

As for corruption, we have internally assessed those certain functions, such as Business Sales and Sourcing (Procurement) and their related business activities bear higher risks of fraud or corruption than others. Therefore, relevant risk mitigation measures are implemented, incl. Integrity Due Dilligence, events invitations rules and approvals. Certain tailor made and contextual based training are also to be held, the first one scheduled for September 2022, in addition to the general ethics and compliance awareness sessions.



## Integrity Due Diligence

We strive to ensure the integrity of our suppliers before engaging with business partners to avoid unacceptable compliance risk, including reputational and financial, and risk of being connected to corruption, money laundering, sanctions violations, fraud or other criminal or unethical activities. All potential contractual partners that fall into a predefined list of categories are subject to Integrity Due Diligence (IDD) screening. We expect our suppliers to agree with the standard contractual clauses on the topic and strictly follow them.

The IDD screening is performed by the Compliance Officer with the support of other internal colleagues, when needed. The IDD screening focus on the existence of evidence about being investigated or prosecuted, having been convicted or barred for corruption, money laundering, links to terrorism, sanctions violations, human rights violations or organized crime in the past. These areas of concern are vital to ensuring that Yettel Bulgaria upholds the fundamental principles enshrined in the Code of Ethics within its business relations.

Based on the findings of the IDD screening and additional risk factors, the Compliance Officer may propose additional risk mitigation measures such as additional contractual safeguards (enhanced audit/monitoring rights) in the agreement with the business partner. Such risks may also be escalated to the CEO who may decide to proceed despite the risk, proceed with mitigation measures or not to engage with the said business partner. Following the commencement of an engagement with a business partner, efforts are made to ensure that the business partners are monitored and that necessary measures are implemented (including the termination of the business relationship) if new information is found that an unacceptable risk has materialised. That is why we encourage employees' feedback to ensure that our suppliers uphold equivalent ethical standards.

We recognize that all these efforts cannot fully limit our own risks. As part of our new sustainability strategy, we have set forward the ambition to create a new supplier engagement plan to establish policies and procedures to be able to start dialogue with our key suppliers regarding alignment of values on climate change, environment, ethics, health and safety and product stewardship.

## Grievance mechanism

Yettel Bulgaria has made available different channels for all employees to send a signal, finding, complaint or notification related to the compliance with or breach of the Code of Ethics, the Local Ethics and Compliance Policy and all other internal regulations of Yettel Bulgaria and generally applicable legal regulations. Yettel employees are expected to notify their line manager or the Compliance Officer promptly of any possible breach or suspected breach, including corruption.

In order to facilitate reporting, a hotline is established. The dedicated email and other contact information is visible to all employees on the front page of the Intranet, as well as the most common engagement application (Digital Office) and Yettel provides assurance that the report will be treated confidentially and that no retaliation will be allowed against those who, in good faith, report violations. Every employee has the opportunity to report in Bulgarian or English language.

In the very end of April 2022, a Bill of Law on the Protection of Persons who Disclose Information on Breaches has been published for public consultations in Bulgaria. The law aims to transpose EU Directive 2019/1937 and the protection of the so-called whistle-blowers against retaliation and these new rules will become part of Bulgarian legislation and will be binding for almost all persons in the private and public sector. As of today, Yettel Bulgaria follows the whistle-blower protection and compliance trends, however, we are tracking the implementation of the Bill and will assess whether certain changes in the governing documents and/or technical means warrant change of procedures.

In 2020 and 2021 we handled a total of 10 whistle-blower cases which were received through different channels, e.g. the hotline email [compliance@yettel.bg](mailto:compliance@yettel.bg), via the corporate website contact form, over the phone or through other colleagues involved. Some of the cases concerned the retail network, either our own shop or franchise partner. Among others, we have investigated signals for financial fraud, retail middle management's behaviour, COVID-19 restriction measurements, etc. As a result, several onsite audits and interviews were conducted. Whenever the investigation team revealed, documented and proved internal policies and high ethics standards violations, respective remedy actions were taken, including contract termination and disciplinary sanctions.

The Compliance Department at Yettel Bulgaria has not received any signals and has not investigated any cases for bribery. As part of the Code of Ethics and the Local Ethics and Compliance Policy and in order to avoid corruption, giving and receiving extravagant gifts and ones above a threshold, accepting business trip invitations that includes travel/ accommodation expenses, all such items are duly approved and entered into the specific internal register maintained by Compliance function.

Whistle-blowers cases in 2020 and 2021

| Year | Number of whistle-blowers |
|------|---------------------------|
| 2020 | 3                         |
| 2021 | 7                         |



## 5.2. Management of customer privacy and data protection

We have a structured mechanism for reporting data protection concerns - the Data Protection Team and Data Protection Officer report to Yettel Bulgaria's CCAO, who is then responsible for bringing any issues up directly to Yettel Bulgaria's CEO.

In 2021, a total of 153 (one hundred and fifty three) substantiated complaints concerning breaches of customer privacy have been identified. From those received, 148 (one hundred and forty-eight) complaints originated from outside parties (mostly the affected individuals and customers), while 5 (five) came from regulatory bodies. However, in 2021 no leaks, thefts, or losses of customer data have been discovered.

Although we are constantly working to improve our services, processes, and routines, and eradicate any preconditions and/or factors that may cause us to violate the applicable data protection laws, we have 1 (one) significant instance of non-compliance with such laws. It occurred in the third quarter of 2017 (referred to in this paragraph as the 'offence'). After concluding the administrative proceedings, in the fourth quarter of 2019 the Commission for Personal Data Protection imposed an administrative fine for the offence for the amount of BGN 100,000 (one hundred thousand Bulgarian leva) (referred to in this paragraph as the 'fine'), which was confirmed by the competent courts, entered into force, and was respectively paid in the third quarter of 2021. By that time, Yettel Bulgaria had already introduced counter-measures that effectively eliminated the primary cause for the offence - human error by agents working in external distribution channels.

We have taken measures to prevent future cases of non-compliance with data protection laws, including extensive training and subsequent testing of our employees' awareness, knowledge, and understanding of the topic. We have introduced regular training to ensure highest standards of expertise within our company on the matter of managing personal data. These trainings are divided in different levels according to our employees' positions and hence the extent to which they are exposed to the danger of committing data breaches. They are as follows:

**All our employees, including those who are not regarded as client-facing personnel, are provided with online resources, materials, and guidelines on procedures on the topic of data security and data breaches through our internal website.**

**Our client-facing personnel, located mostly within our retail network and at our call-centre, have the highest exposure to personal data within the company. For this reason, those employees are obliged to complete additional privacy training courses that are specifically tailored to their roles. They must complete an annual privacy test with a passing grade of 90% to demonstrate their knowledge which requires additional preparation and independent study.**

## 6. Additional business information

**Yettel connects over 3 million customers in Bulgaria to people, devices and businesses and ensures the coverage of the mobile network for over 99% of the Bulgarian population.**



Currently, our proposition comprises mobile voice, data and text messaging, fixed broadband, fixed voice lines and corporate data networks. In addition to our headquarters, warehouse, and repair centre for mobile phones in Sofia, Yettel Bulgaria operates in over 180 stores in 105 locations in Bulgaria. In our stores, clients are able to pay their bills, purchase devices and accessories from different brands, as well as recycle their old devices.

In 2020, the infrastructure and retail activities of the PPF Telecom operators in Bulgaria, Hungary and Serbia were separated and the regional CETIN group was established. After the separation, Yettel directed its efforts on improving the consumer and retail propositions and services development and CETIN - on expanding its telecommunications infrastructure services.

Today, CETIN Bulgaria is a leading local provider of telecommunication and IT infrastructure solutions and services, owning and operating one of the largest electronic communications networks in Bulgaria. Its 4G & 5G equipped network covers more than 99% of the population and 97% of Bulgarian highways, first and second class roads, with a maximum download speed of up to 1 Gbps (in regions where 5G coverage is available).

The company runs a fiber optic infrastructure with 2 optical rings across Bulgaria, ensuring reliable protection between all points of presence. In Sofia, CETIN Bulgaria runs its own optical network, which provides dense coverage of the city and its surroundings. Company's upper layer data services are provided over the DWDM network. Optical transborder connections to Serbia and Greece extend the domestic network. In collaboration with foreign partners, CETIN Bulgaria can provide international leased lines (L2 & L3 services).

With more than 200 employees, 24/7 support and extensive infrastructure deployment, CETIN Bulgaria intends to become one of Bulgaria's most preferred providers of wholesale services in the electronic communications domain.

Both Yettel and CETIN are part of PPF Telecom Group which connects several companies from the mobile network and telecommunications services sector across Bulgaria, Czechia, Slovakia, Hungary and Serbia. The commercial arm of the group provides services to end-users in the consumer, corporate and public segments, and consists of the Yettel brand (Yettel Bulgaria, Yettel Serbia, Yettel Hungary), as well as the O2 operators (O2 Czech Republic and O2 Slovakia). The other arm is represented by the CETIN Group which provides fixed and mobile telecommunications infrastructure to all telecommunications operators on equal and transparent footing.

**Yettel Bulgaria is an active member of the following organisations:**



**German-Bulgarian Chamber of Industry and Commerce**



**French-Bulgarian Chamber of Commerce and Industry**



**American Chamber of Commerce in Bulgaria**



**Confederation of Employers and Industrialists in Bulgaria** – Jason King (CEO) is member of the Management Board



**Association of the Telecommunication Industry in Bulgaria** - Michaela Kalaidjieva (Chief Corporate Affairs Officer) is a member of the Management Board



**Bulgarian Association for People Management**

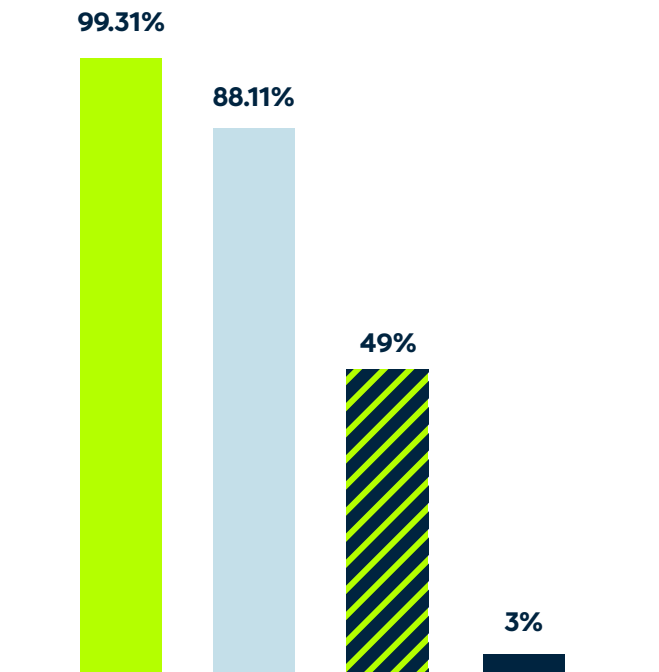


## Highlights

### Corporate Highlights, December 2021

| Number of Active Mobile Users                  | Market Share (revenue based) |
|--|------------------------------|
| Unique Private Users: <b>2.24 million</b>      | 36.9%                        |
| Unique Business Customers: <b>1.20 million</b> |                              |

- 4G and above (% of population covered)
- 5G (% of population covered)
- 4G and above (geographic coverage)
- 5G (geographic coverage)



## 6.1. Yettel Bulgaria's value chain

The following diagram represents an overview of Yettel's value chain - these are the parts of our business which comprise our operations and drive growth within our company. The following table demonstrates stages where most of our environmental and social impacts occur and the levers we use to mitigate those impacts.

### Yettel Bulgaria's Value Chain

| Yettel Bulgaria  |  |   |   |   |   |  |
|--|--|---|---|---|---|--|
| CETIN Group (network provider)   |  |   |   |   |   |  |
| Research and development   | Materials supply   | Packaging supply  | Main activity/ operations/network development   | Marketing & sales   | Deliver services & products   | Consuming services & products  |
| <p>The research and development of the products we offer is outside of Yettel's control and lies within the scope of our suppliers.</p> <p>Speaking about the services we provide, we consider the needs of and the feedback received from our clients and business customers and have further set a sustainability goal related to the development of applications that support our clients on their sustainability journey.</p> <p>Additionally, Yettel Bulgaria is to become part of the PPF Telecom Group Centre of Excellence and Innovation Hub, aiming to identify and develop leading innovative technologies.</p> | <p>We strive to ensure the integrity of our suppliers before engaging with them as business partners in order to avoid risks and ensure we do not support unsustainable practices. All our suppliers are subject to Integrity Due Diligence (IDD) screening.</p> <p>Realising the need for an even more comprehensive supplier engagement, we are currently working on a supplier engagement plan. We aim to establish policies and procedures which will allow us to start a dialogue with our key suppliers regarding alignment of values on climate change, environment, ethics, health and safety and product stewardship.</p> | <p>We have direct control over the additional packaging used for transportation from our warehouse to Yettel's retail stores. Realising the impact of our own packaging, we have set a target related to its management.</p> <p>In turn, our suppliers are responsible for the packaging and transportation of the products they deliver to us, and we will engage with them to ensure that this is done in a sustainable manner.</p> | <p>Our main operation - providing access to our network - requires high amounts of energy. Additionally, different types of energy (electricity, fuels) are required for our office, warehouse and repair centre operations to continue running. As we have direct impact in those areas, we engage in various programmes with the intent to decrease our Green House Gas emissions.</p> <p>Looking at our indirect emissions, we are to include the topic in our comprehensive supplier engagement programme, in order to ensure the impact of the way our vendors conduct business is also taken into consideration when selecting them, as well as is properly included in our Scope 3 emissions calculations.</p> | <p>Acknowledging the importance our marketing practices have on the company's reputation, we use the opportunity provided by various communications channels to not only present information related to Yettel's offers for customers, but also raise awareness about important sustainability topics and inspire our customers to find balance in their lives.</p> | <p>We sell our products through a network of retail stores. We have direct control on the stores' performance in terms of energy consumption, waste management, etc., and aim to minimise the impact our shops have on the planet.</p> <p>Together with our network provider CETIN, we follow all network related rules and regulations and are working towards reaching an even better network energy efficiency among other sustainability aspects.</p> | <p>As our products continue their lives with our customers, we aim to raise awareness when it comes to the proper use of all devices.</p> <p>Additionally, through the services of our own repair centre, we help our customers extend the life of their devices.</p> <p>Lastly, when it comes to end-of-life of the devices, we have created comprehensive programmes for e-waste collection.</p> |

## 6.2. Governance

Yettel's operations and impacts on environment, economy and society are managed by an experienced management team with a strong track record in corporate governance. The list below represents the composition of the highest governance body, also called management team, responsible for decision-making:



**Jason King**  
Chief Executive  
Officer



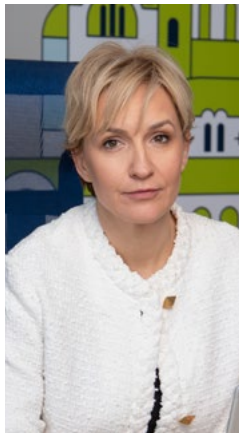
**Bogdan Uzelac**  
Chief Commercial  
Officer



**Galina Chuleva**  
Chief Human  
Resources Officer



**Hristo Tsvetkov**  
Chief Strategy  
Officer



**Michaela  
Kalajjieva**  
Chief Corporate  
Affairs Officer



**Nikola Petreski**  
Chief Financial  
Officer



**Spas Velinov**  
Chief Technology  
Officer

All members of the management team have extensive experience in the telecommunications sector, mainly in the CEE region and Bulgaria, offering vital knowledge and expertise.

The management team is involved in determining the strategy of Yettel Bulgaria together with the Executive Management of PPF Telecom Group. This involves setting objectives, managing the human resources responsible for the delivery of these objectives, and managing knowledge transfer between the departments to spread best practice across the segments in commercial, operational, purchasing, organisational, technological, procurement, financial and other aspects of the operations. In addition, the role of the management teams is to deliver operational and financial objectives set by PPF Telecom Group through managing commercial, financial, and regulatory aspects of Yettel Bulgaria.

The collective knowledge, skills, and experience of the management team on sustainable development is of utmost importance to govern the sustainability strategy of the company. That is why we are in the process of introducing sustainability in-depth training which 100% of our management team will undertake in 2023. In the meantime, the Chief Corporate Affairs Officer who is accountable for the monitoring of the day-to-day implementation of the sustainability activities in the company is participating at a 10-week ESG Academy organised in collaboration with Sofia University in 2022.

We aim to closely align our sustainability strategy with our business objectives and long-term growth plan. We will therefore need to educate and bring on board everybody in the company to support this objective, while keeping our key stakeholders informed on the progress we are making.

**We will introduce sustainability-related training across the whole PPF Telecom Group with the aim of achieving 100% participation by senior management by the end of 2023.**

We will regularly update our key stakeholders on the progress of our sustainability strategy.

### 6.3. Employees

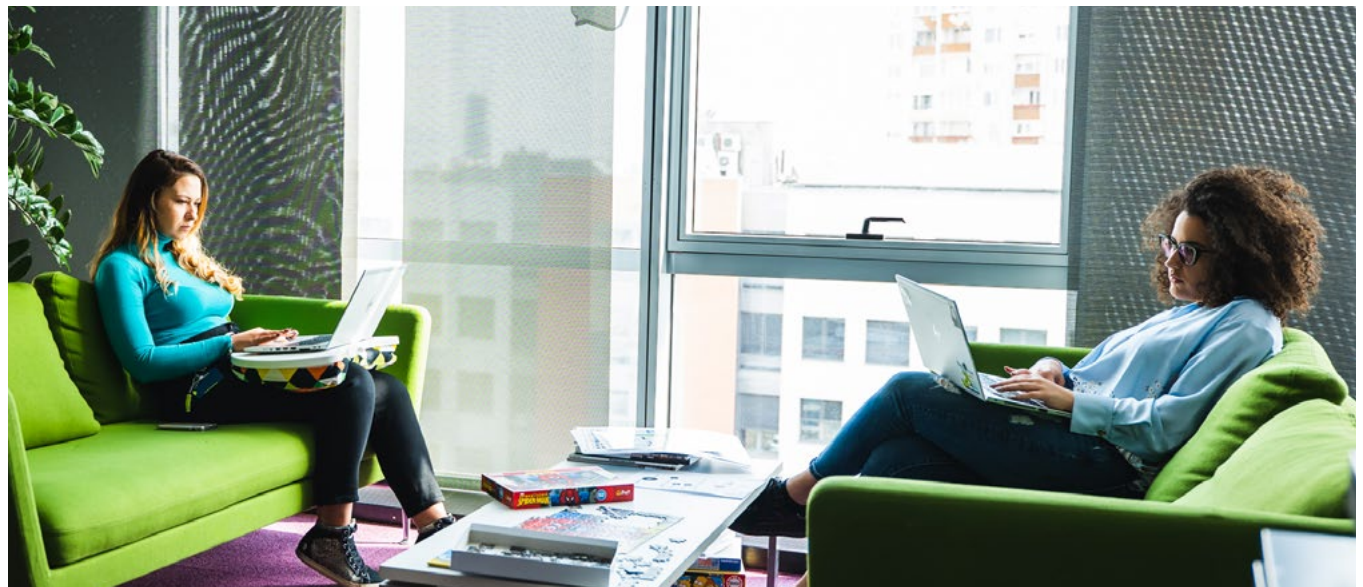
As a people-first brand, our company strives to ensure that we are able to attract, develop and retain talented individuals without bias. As of the end of 2021, we had a total number of 1,860 employees out of which approximately 67% are female and 33% are male. Our colleagues work in various client-facing, technological, administrative roles. We also have an additional 46 employees who are not directly employed by the firm but are contracted by a third party to provide additional services (security, cleaning, building maintenance). All due care is given that they operate in safe conditions and that their rights are ensured.

#### Number of Employees at Yettel Bulgaria in 2020 and 2021

| Headcount       |     |                 |     | Full-time employee (FTEs) |        |               |     | Part-time employees |     |              |     |
|-----------------|-----|-----------------|-----|---------------------------|--------|---------------|-----|---------------------|-----|--------------|-----|
| 2020            |     | 2021            |     | 2020                      |        | 2021          |     | 2020                |     | 2021         |     |
| 1,849 employees |     | 1,860 employees |     | 1,622.75 FTEs             |        | 1,631.75 FTEs |     | 25 employees        |     | 17 employees |     |
| Women           | Men | Women           | Men | Women                     | Men    | Women         | Men | Women               | Men | Women        | Men |
| 1,209           | 640 | 1,245           | 615 | 993.25                    | 629.50 | 1,023.75      | 608 | 16                  | 9   | 9            | 8   |

#### Yettel Bulgaria 2021 Employees by Type of Contract

| Gender | Temporary contracts | Permanent contracts |
|--------|---------------------|---------------------|
| Women  | 88                  | 1,157               |
| Men    | 46                  | 569                 |



## Remuneration

Our remuneration policy aims to motivate Yettel's employees to achieve high level performance while pursuing the common strategic goals of the organisation, which in turn facilitates development and constant efficiency improvement in the company and legitimate and fair organisation of the remuneration of all employees. The remuneration system, applicable to all employees in the company including senior management, is structured in three main sections:

**1. Basic salary**, paid for fulfilling the defined work tasks, obligations and responsibilities, specific for the respective workplace and position. The basic salary is determined based on evaluation and grading of workplaces and job positions, as well as additional terms and conditions, and it is agreed in the personal labour contract between the parties in the labour relations.

**2. Additional remuneration** is obligatorily paid according to the Labour Code, secondary legislation, statutory instruments, Internal Rules of Structure and Organisation of Remuneration or another normative deeds. It can be permanent or temporary.

There are several types of additional remunerations, for example remuneration paid for acquired work experience and professional length of service. It is of a permanent nature and the right to receive such remuneration arises after acquiring 1 year length of service, irrespective of the position.

Additionally, bonus schemes, which aim to effectively motivate and retain valued employees who provide exemplary performance, put extra efforts, utilise full potential and abilities for achieving outstanding results in a particular benefit to the department, division and the company, also exist. Bonus schemes are remunerations determined by achieved results, exceptional performance and by decision of the employer.

**3. Other remunerations**, determined as per normative deeds' clauses or an individual labour contract, which are not envisaged in items 1 and 2:

**For performed overtime work:** employees performing overtime during the weekdays receive 50% increase in their payment, those who worked during the weekends receive 75% increase and 100% increase is received by employees who performed work on official holidays. The increase is calculated from the remuneration, determined by the personal labour contract.

**For every hour night work or a part of it between 22:00h and 06:00h**, employees are paid additional remuneration for night work.

**For daily counting of the working time and shift work**, when the duration of night work hours is less than the one of day work hours.

**For the period in which the employee is on stand-by duty** for the employer and he/she is outside the territory of the company at a place, agreed between them, additional remuneration is paid per hour or proportionally for a part of it.



## Benefits

Taking care of our people is at the core of Yettel's approach to management. We have introduced a benefits programme that is centred around our employees' physical safety and mental well-being. Apart from widely used benefits, such as food vouchers and additional health insurance, we provide our employees with the opportunity to consult a psychologist because we consider mental health and wellbeing as an issue of utmost importance. Here is a list with the main benefits we offer to all our employees:

**Standard retirement benefit plans as per the Bulgarian Labour Code**

**Health insurance**

**Additional accident insurance**

**One-off gift amount for new baby born**

**Book a car – get/return to Sofia**

**Book a bike – get/return to Sofia**

**Consultation with company psychologist**

**Consultation with finance consultant**

**Preferential terms for purchasing additional health insurance for family members**

**LinkedIn Learning subscription**

**Opportunity to participate in tailored training & talent development programmes**

## 6.4. Economic Performance

Yettel Bulgaria contributes to the development of the Bulgarian telecommunications sector and consequently to the growth of the Bulgarian economy. We believe that sustainability goes hand in hand with creating value for employees, suppliers, capital providers and government. As part of our corporate responsibility, we strictly apply all laws and regulations on financial reporting and tax compliance, and we further allocate funding for donations to the communities we operate in.

**In 2020, Yettel generated a direct economic value of over BGN 790 million and distributed economic value of over BGN 727 million. Accordingly, the company retained around BGN 62,5 million, and made community donations to the value of BGN 310,000 which is 0.49% of the economic value retained.**

**In 2021, Yettel generated direct economic value of over BGN 837 million and distributed economic value of over BGN 796 million. Accordingly, the retained value is around BGN 41,4 million and community donations for this year went down to BGN 95,000 which represents 0.22% of the economic value retained for 2021. This gap of community donations between 2020 and 2021 is due to the fact that in 2020, the company extensively supported initiatives and campaigns related to the COVID-19 outbreak.**

## Economic Performance<sup>5</sup>

### Direct Economic Value Generated and Distributed in 2020 and 2021 in Thousands BGN

|                                   | 2020           | 2021           |
|-----------------------------------|----------------|----------------|
| <b>Economic value retained</b>    | <b>62,517</b>  | <b>41,412</b>  |
| <b>Breakdown:</b>                 |                |                |
| <b>Net revenue</b>                | <b>786,967</b> | <b>836,231</b> |
| <b>Other operating revenue</b>    | <b>3,070</b>   | <b>1,360</b>   |
| <b>Economic value generated</b>   | <b>790,037</b> | <b>837,591</b> |
| to suppliers                      | 497,801        | 498,118        |
| to employees                      | 53,694         | 57,936         |
| to capital providers              | 139,829        | 150,376        |
| to government                     | 35,886         | 89,653         |
| of which Spectrum Licences        | 11,607         | 68,106         |
| to community                      | 310            | 95             |
| <b>Economic value distributed</b> | <b>727,520</b> | <b>796,179</b> |
| <b>Economic value retained</b>    | <b>62,517</b>  | <b>41,412</b>  |

As part of the telecommunication sector, Yettel has not been as harshly affected by the COVID-19 pandemic as other business sectors. The Bulgarian government classified telecommunications and the related payments for the companies' services as important for public interest and as a result Yettel's shops remained open, including locations in large shopping centres.

During the reporting period, we did not receive any tax relief and tax credits, subsidies, investment grants, research and development grants, other relevant types of grant, awards, royalty holidays, or financial assistance from Export Credit Agencies (ECAs). However, in 2021 we received a financial incentive through the government's policy for lowering the price of electricity valued at BGN 172,739 (VAT excluded).

<sup>5</sup> Information is presented on an accrual basis but not on a cash basis. The figures are extracted from the Company's audited financial statements and from its internally-audited management accounts.

In July 2020 Telenor Bulgaria (as of March 2022 - Yettel Bulgaria) made a spin-off of part of its assets for the establishment of the infrastructure company CETIN Bulgaria.

Economic value distributed to suppliers stands for purchases from external suppliers, incl. PPF related party (intra-group) purchases.

Economic value distributed to employees includes gross salaries and PIT and Social Insurance contributions related to the employment relations.

Economic value distributed to capital providers stands for distributed dividends.

Economic value distributed to the government includes: Spectrum Licences, Corporate income Tax, local and property taxes, withholding taxes, one-off taxes, non-recoverable VAT, penalties and charges.

Economic value distributed to community stands for donations made.

## 7. GRI index table

| Material Topic                     | GRI Standard   | Page   | Comments   |
|------------------------------------|--|--------|--|
| <b>Mandatory Disclosures GRI 2</b> | <b>GRI General Disclosures</b>   |        |  |
|                                    | GRI 2-1 Organizational details   | 6      |  |
|                                    | GRI 2-2 Entities included in the organisation's sustainability reporting             | 5      |  |
|                                    | GRI 2-3 Reporting period, frequency and contact point                                | 5      |  |
|                                    | GRI 2-4 Restatements of information  |        | There are no restatements of information made from previous reporting periods. |
|                                    | GRI 2-5 External assurance   |        | Not available  |
|                                    | GRI 2-6 Activities, value chain and other business relationships                     | 74     |  |
|                                    | GRI 2-7 Employees  | 76     |  |
|                                    | GRI 2-8 Workers who are not employees  | 76     |  |
|                                    | GRI 2-9 Governance structure and composition   | 75     |  |
|                                    | GRI 2-10 Nomination and selection of the highest governance body                     | 75     |  |
|                                    | GRI 2-11 Chair of the highest governance body  | 75     |  |
|                                    | GRI 2-12 Role of the highest governance body in overseeing the management of impacts | 17     |  |
|                                    | GRI 2-14 Role of the highest governance body in sustainability reporting             | 9      |  |
|                                    | GRI 2-15 Conflicts of interest   | 69     |  |
|                                    | GRI 2-16 Communication of critical concerns  | 17, 69 |  |
|                                    | GRI 2-17 Collective knowledge of the highest governance body                         | 75     |  |



|   |   |             |  |
|---|---|-------------|--|
|   | GRI 2-18 Evaluation of the performance of the highest governance body | 17          |  |
|   | GRI 2-19 Remuneration policies  | 77, 78      |  |
|   | GRI 2-20 Processes to determine remuneration                          | 77, 78      |  |
|   | GRI 2-21 Annual total compensation ratio                              |             | Information is confidential and not disclosed. |
|   | GRI 2-22 Statement on sustainable development strategy                | 10          |  |
|   | GRI 2-23 Policy commitments   | 68          |  |
|   | GRI 2-24 Embedding policy commitments                                 | 17, 69      |  |
|   | GRI 2-25 Processes to remediate negative impact                       | 70          |  |
|   | GRI 2-26 Mechanisms for seeking advice and raising concerns           | 60          |  |
|   | GRI 2-27 Compliance with laws and regulations                         | 69, 70      |  |
|   | GRI 2-28 Membership in associations                                   | 72          |  |
|   | GRI 2-29 Approach to stakeholder engagement                           | 20          |  |
| <b>Material Topic</b>                     | <b>Materiality Assessment</b>   | <b>Page</b> | <b>Comments</b>                                |
| <b>Mandatory Disclosures GRI 3</b>        | GRI 3-1 Process to determine material topics                          | 21          |  |
|   | GRI 3-2 List of material topics                                       | 21, 22      |  |
|   | GRI 3-3 Management of material topics                                 | 23          |  |
| <b>Material Topic</b>                     | <b>Topic-Specific Standards</b>                                       | <b>Page</b> | <b>Comments</b>                                |
| <b>Direct and Indirect Economic Value</b> | <b>GRI 201 Economic Performance</b>                                   |             |  |
|   | <b>3-3 Management</b>   |             |  |
|   | 201-1 Direct economic value generated and distributed                 | 78, 79      |  |

|   |  |            |  |
|---|--|------------|--|
|   | 201-2 Financial implications and other risks and opportunities due to climate change |            | Information is unavailable at the moment – analysis planning is in progress.   |
|   | 201-3 Defined benefit plan obligations and other retirement plans                    | 78         |  |
|   | 201-4 Financial assistance received from government                                  | 79         |  |
| <b>Accelerating Technology for a Sustainable Future</b>             | <b>GRI 203 Indirect Economic Impacts</b>   |            |  |
|   | <b>3-3 Management</b>  |            |  |
|   | 203-1 Infrastructure investments and services supported                              | 58, 59     |  |
|   | 203-2 Significant indirect economic impacts  | 58         |  |
| <b>Corporate Governance, Business Ethics, Regulatory Compliance</b> | <b>GRI 205 Anti-Corruption</b>   |            |  |
|   | <b>3-3 Management</b>  |            |  |
|   | 205-1 Operations assessed for risks related to corruption                            | 68, 69, 70 |  |
|   | 205-2 Communication and training about anti-corruption policies and procedures       | 69         | Information about training hours completed is unavailable at the moment. The relevant training programme is under development and first sessions will be conducted at the end of 2022. |
|   | 205-3 Confirmed incidents of corruption and actions taken                            | 70         |  |
| <b>Reducing Our Environmental Footprint</b>                         | <b>GRI 302 Energy</b>  |            |  |
|   | <b>3-3 Management</b>  |            |  |
|   | 302-1 Energy consumption within the organisation                                     | 26         |  |
|   | 302-2 Energy consumption outside the organisation                                    | 26         |  |
|   | 302-3 Energy intensity   | 26         |  |

|   |   |        |                 |
|---|---|--------|-----------------|
|   | 302-4 Reduction of energy consumption   | 26     |                 |
|   | 302-5 Reductions in energy requirements of products and services                      | 26     |                 |
|   | <b>GRI 305 Emissions</b>  |        |                 |
|   | <b>3-3 Management</b>   |        |                 |
|   | 305-1 Direct (Scope 1) GHG Emissions  | 27, 28 |                 |
|   | 305-2 Energy Indirect (Scope 2) GHG Emissions   | 27, 28 |                 |
|   | 305-3 Other indirect (Scope 3) GHG Emissions  | 27, 29 |                 |
|   | 305-4 GHG Emissions Intensity   | 27     |                 |
|   | 305-5 Reduction of GHG Emissions  | 29     |                 |
|   | 305-6 Emissions of ozone-depleting substances (ODS)                                   |        | Not applicable. |
|   | 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions |        | Not applicable. |
|   | <b>GRI 306 Waste</b>  |        |                 |
|   | <b>3-3 Management</b>   |        |                 |
|   | 306-1 Waste generation and significant waste-related impacts                          | 32     |                 |
|   | 306-2 Management of significant waste-related impacts                                 | 32     |                 |
|   | 306-3 Waste generated   | 33     |                 |
|   | 306-4 Waste diverted from disposal  | 33     |                 |
|   | 306-5 Waste directed to disposal  | 33     |                 |
| <b>Occupational Health and Safety and Wellbeing</b> | <b>GRI 403 Occupational Health and Safety</b>   |        |                 |
|   | 403-1 Occupational health and safety management system                                | 39     |                 |

|  |   |                |   |
|--|---|----------------|---|
|  | 403-2 Hazard identification, risk assessment, and incident investigation  | 39             |   |
|  | 403-3 Occupational health services  | 39             |   |
|  | 403-4 Worker participation, consultation, and communication on occupational health and safety                       | 39             |   |
|  | 403-5 Worker training on occupational health and safety   | 39             |   |
|  | 403-6 Promotion of worker health  | 39             |   |
|  | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 39             |   |
|  | 403-8 Workers covered by an occupational health and safety management system  | 39             |   |
|  | 403-9 Work-related injuries   | 39             |   |
|  | 403-10 Work-related ill health  | 39             |   |
| <b>Employee Training and Development</b> | <b>GRI 404 Training &amp; Education</b>   |                |   |
|  | <b>3-3 Management</b>   |                |   |
|  | 404-1 Average hours of training per year per employee   | 52             |   |
|  | 404-2 Programmes for upgrading employee skills and transition assistance programmes                                 | 50, 51         |   |
|  | 404-3 Percentage of employees receiving regular performance and career development reviews                          | 52             |   |
| <b>Employment and Job Retention</b>      | <b>GRI 405 Diversity and Equal Opportunity</b>  |                |   |
|  | <b>3-3 Management</b>   |                |   |
|  | 405-1 Diversity of governance bodies and employees  | 43, 44, 45, 76 |   |
|  | 405-2 Ratio of basic salary and remuneration of women to men  |                | We are planning to conduct a detailed salary and remuneration analysis in 2023. In the meantime, our compensation systems and |

|   |  |               |  |
|---|--|---------------|--|
|   |  |               | processes do not distinguish between women and men. The salaries we offer are predicated on the respective job description identical for men and women. Variable salary components that fall under performance-based compensation are paid on the basis of whether mutually agreed targets have been achieved. A performance management system governs this process. |
|   | <b>GRI 406 Non-Discrimination</b>  |               |  |
|   | <b>3-3 Management</b>  |               |  |
|   | 406-1 Incidents of discrimination and corrective actions taken                                     | 42            |  |
| <b>Network Deployment</b>   | <b>GRI 416 Customer Health and Safety</b>  |               |  |
|   | 416-1 Assessment of the health and safety impacts of product and service categories                | 53            |  |
|   | 416-2 Incidents of non-compliance concerning   | 54            |  |
|   | the health and safety impacts of products and services   |               |  |
| <b>Cyber Security, Digital and Personal Data Protection</b>             | <b>GRI 418 Customer Privacy</b>  |               |  |
|   | <b>3-3 Management</b>  |               |  |
|   | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | 66 & 71       |  |
| <b>We also report on Yettel topics not covered by the GRI Standards</b> |  | <b>Page</b>   | <b>Commentary</b>  |
|   | Accelerating Technology for a Sustainable Future   | 14, 15, 57-67 |  |
|   | Charitable and Social Investments  | 55            |  |
|   | Marketing Practices  | 56            |  |

**Yettel.**