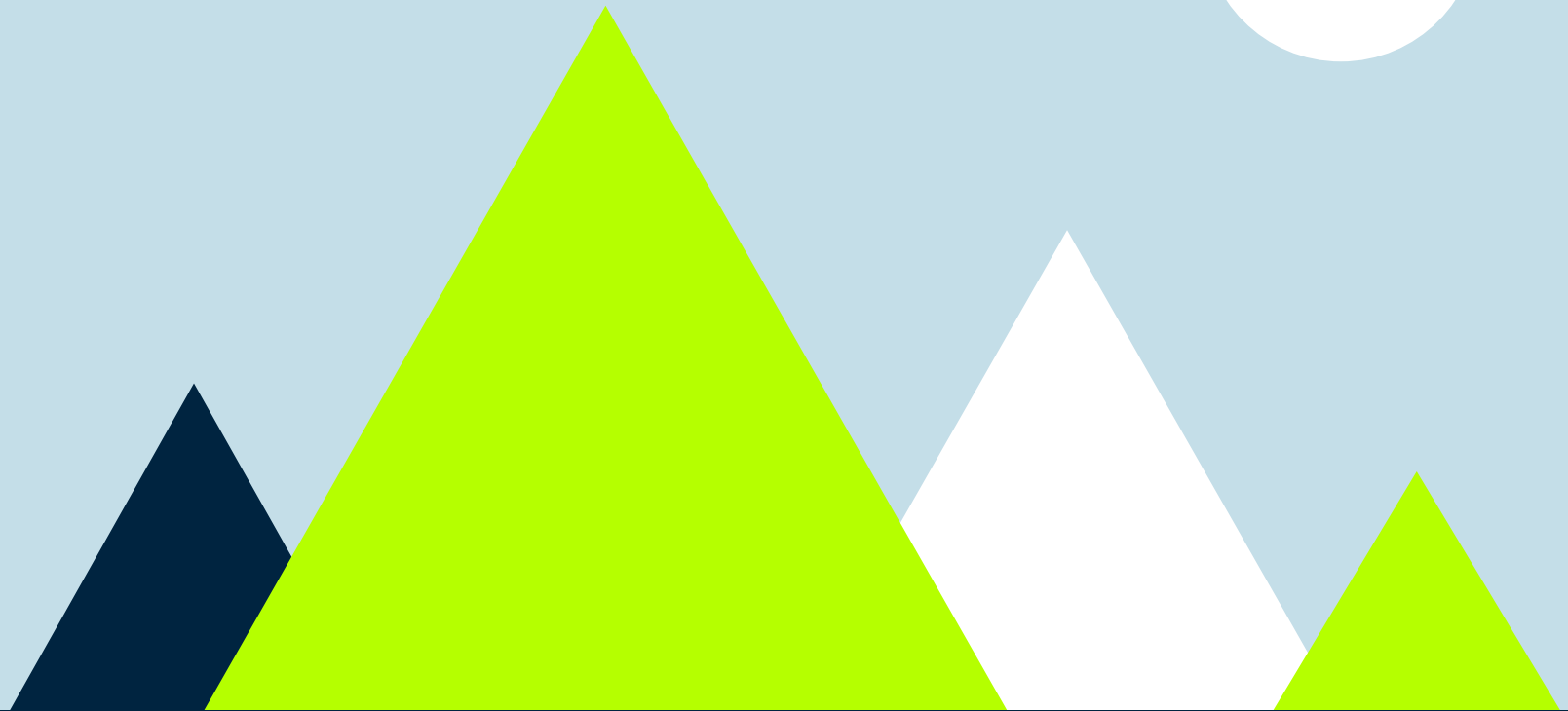
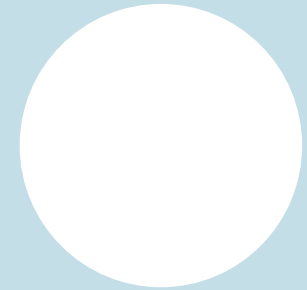


Sustainability report

2022



Yettel.

Bulgaria

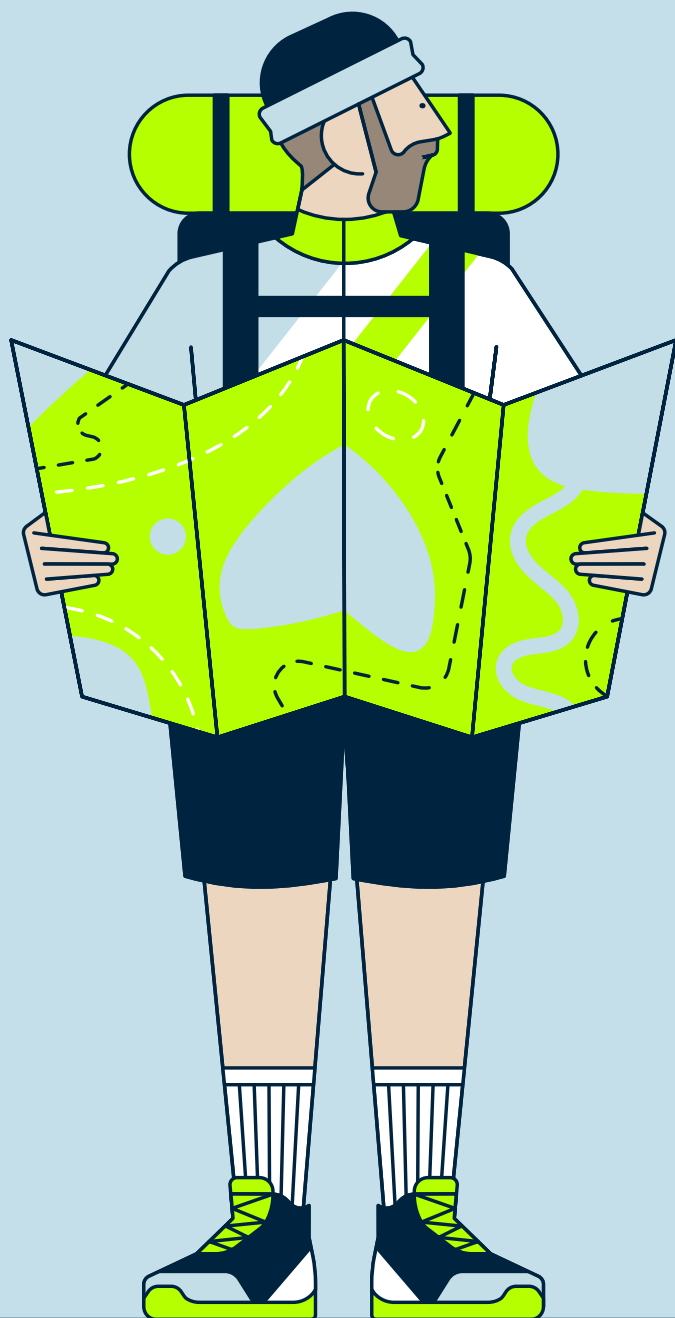


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Foreword from the CEO

I am delighted to share with you our 2022 Sustainability Report, a proud showcase of the goals we've hit since launching our Sustainability Strategy 2028 just last year. Adhering to the globally recognized GRI framework, this report encapsulates our staunch commitment to transparency and integrity in every aspect of our business.

As I look back at this past year, it's clear that our Sustainability Strategy isn't simply a document - it's the heartbeat of our corporate culture, pulsing through everything we do.

This year marked significant milestones in Yettel's sustainability journey and decarbonization plan. We've committed to the Power Purchase Agreement (PPA) with Electrohold in collaboration with CETIN Bulgaria, ensuring access to green energy for the next decade. This leap towards cleaner energy options not only meets our operational needs but significantly reduces our environmental footprint. For the first time, we've taken a magnifying glass to our carbon footprint, and we're now crafting a decarbonization plan to significantly reduce our CO₂ emissions. This commitment firmly plants us in line with the Science Based Targets initiative (SBTi), steering us towards a greener, cleaner operational model.

Our efforts to diminish our environmental impact led to the implementation of digital solutions, such as the e-signature program, which in 2022 alone saved us 35 tons of paper. Additionally, our Recycle and Save initiative, designed to reclaim devices from our customers when they upgrade, saw a threefold increase in collections in 2022 compared to the previous year. This remarkable surge underscores our customers' growing commitment to sustainability alongside ours.

Our efforts in 2022 earned us the highest recognition in the ESG field - PwC's Award for Sustainability Strategy. This accolade not only shines a spotlight on our firm commitment to weaving environmental, social, and governance (ESG) considerations into our business framework but also reaffirms that we're on the right path.

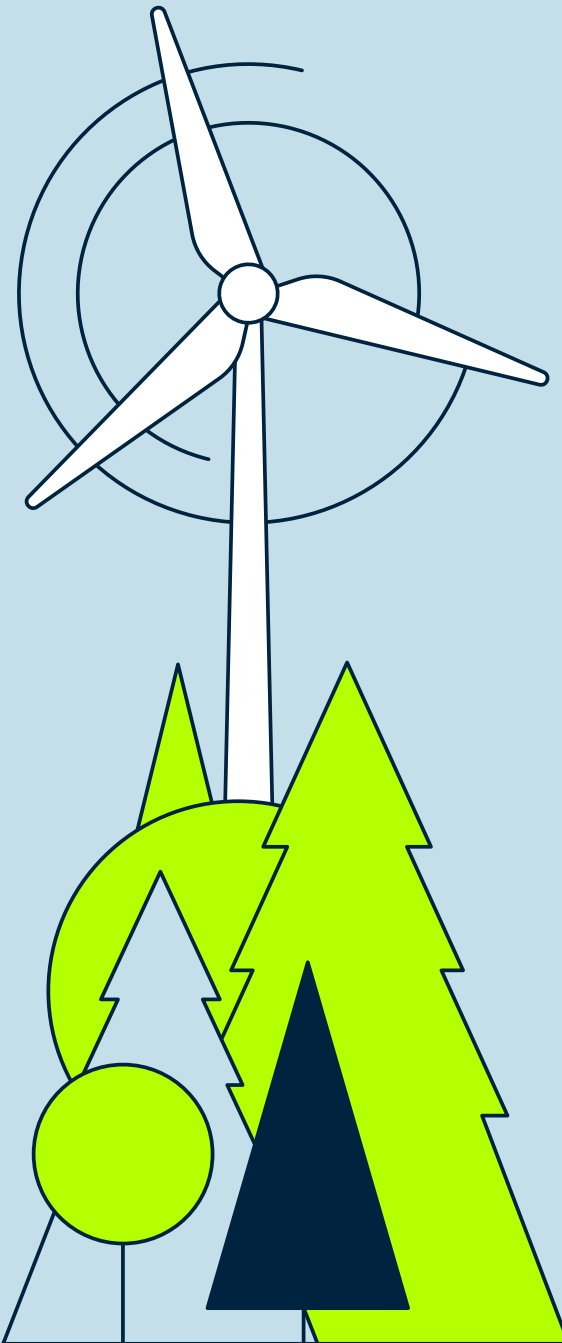
We're also thrilled to announce that for the sixth consecutive year, our dedication to providing top-quality data connectivity has been recognized internationally. Yettel was honored with the Best in Test certificate from the renowned independent company, umlaut, part of Accenture. This recognition speaks volumes about our commitment to excellence and the relentless efforts of our team to deliver unparalleled services.

Jason King

CEO, Yettel Bulgaria



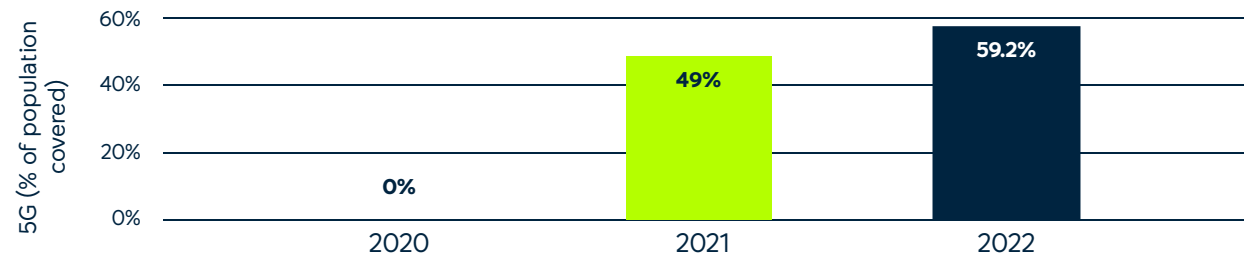
Sustainability Highlights



In 2022, we made significant progress on the targets from our Sustainability Strategy:

Goal	Prevent 127,000 kg of e-waste from going to landfill through repairment, refurbishment or recycling programs by 2028	Reach 40% of female representation in technology roles by 2028	Reach 2,500,000 people on the topic of sustainable living every year
2022 Achievements	Through our various programs, we managed to prevent 20.3 tons of e-waste from going to landfill in 2022	We reached a level of female representation in tech roles of 33%	Recycle and Save TV campaign: Our TV advertisement, focusing on the need for recycling of old mobile devices, reached 2,358,779 people in the period 07.06-30.06 and 2,991,500 people in the period 03.10-13.11
The number of devices collected from our customers when buying a new device in 2022 is 3 times higher than the level in 2021	This percentage is an increase by two percent in comparison to 2021		

GOAL: 5G connectivity available for at least 85% of the Bulgarian population by 2026



About the report

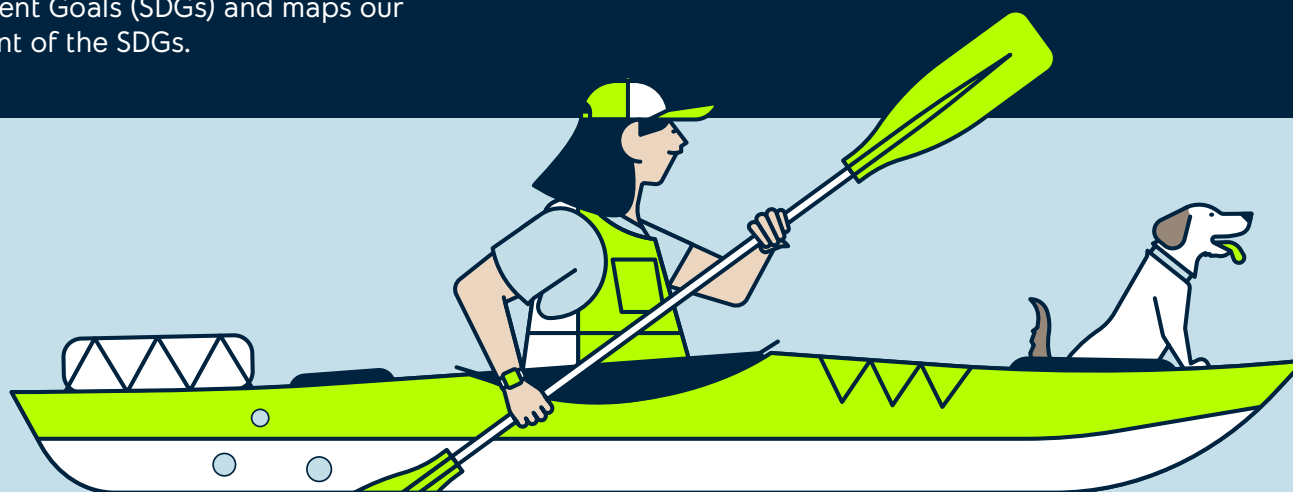
We are pleased to share with you the Annual Sustainability Report of Yettel Bulgaria. This report's purpose is to showcase our environmental, social, and governance practices, and as such, it serves as a testament to our commitment to sustainability. The report outlines our Sustainability Strategy 2028, which resembles our core values and dedication to positive value creation. It is also our first report that presents the progress made on the key performance indicators and the ambitious goals we set for ourselves as part of our Sustainability Strategy. Being one of the leading companies in the telecommunications sector in Bulgaria, we see a great advantage but also a responsibility to make good use of our leadership position. Through this report, we seek to inform our various groups of stakeholders, including customers, employees, suppliers, and communities, about our efforts to reach a good balance between economic growth, environmental preservation, and social responsibility. We remain true to our brand identity to focus on people first, and as such, we continue to offer technology and connectivity services with the mission to help customers reach balance in their lives.

This report is prepared in accordance with the widely-used Global Reporting Initiative (GRI) Standards (2021 version). It covers the period of 1st of January 2022 - 31st of December 2022, aligned with our financial reporting period, and discloses data from all operations of Yettel in Bulgaria, covering all our stores, warehouse, the central administrative building, and repair center, as well as our supply chain. In addition to that, the report refers to another sustainable development framework - the United Nations' Sustainable Development Goals (SDGs) and maps our efforts' contribution to the achievement of the SDGs.

By adhering to the principles of the globally recognized GRI Standards, we make sure that the report follows a robust and comprehensive methodology for reporting on the company's sustainability performance. We strive to ensure consistency in the reporting process so that comparisons can be made to the data from our previous Sustainability Report. This enhances both the reliability and the comparability of the presented information, allowing our stakeholders to easily understand and follow our achievements and progress on our sustainability journey over time. By doing so, we hope to strengthen the trust of and build stronger relationships with our stakeholders because we believe that transparency is followed by accountability, which is the main driver of positive change.

Following our first Sustainability Report, published last year, in the preparation of this year's edition, we have built up on the gathered knowledge and experience, aiming for better data quality and quantity. In that regard, we have focused on improving the methodology we apply to our carbon footprint assessment. A restatements of the information on the topic, which accounts for the changes in the measurement methodology, can be found in section "[Energy, greenhouse gasses and other air polluting emissions](#)".

The report is prepared in both Bulgarian and English languages and is published on the company's website on **25.09.2023**. For further questions and inquiries about this report, please reach out to us via email at esg@yettel.bg.



About Yettel

Yettel Bulgaria EAD, which until March 2022 operated under the name Telenor Bulgaria, is a telecommunications company and a leader in the telecommunications sector in Bulgaria. Yettel is the new telecommunications brand of PPF Telecom Group (with 100% ownership), introduced in 2022 for the markets of Bulgaria, Serbia, and Hungary. It is the leading provider of mobile telecommunications in Bulgaria by revenue and the second largest by subscriber market share, connecting more than 3 million customers with people, devices, and businesses.

Yettel Bulgaria offers mobile voice, data and text messaging, television, fixed broadband, and fixed voice lines (over mobile network), corporate data networks, as well as content services on both post- and pre-paid basis, guaranteeing fast mobile network, high-quality voice and data connectivity in its own 4G network with VoLTE technology. In fact, Yettel ensures the coverage of the mobile network of over 99% of the Bulgarian population.

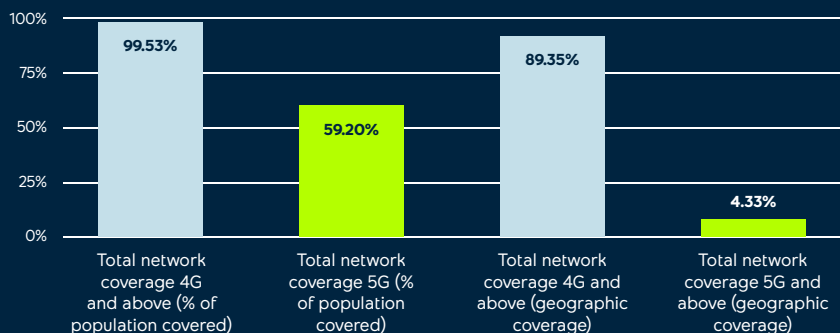
Company highlights

as of 2022

Number of **Active Mobile Users: 3.446 mln.**

Market share (revenue based): **36.5%**

Coverage

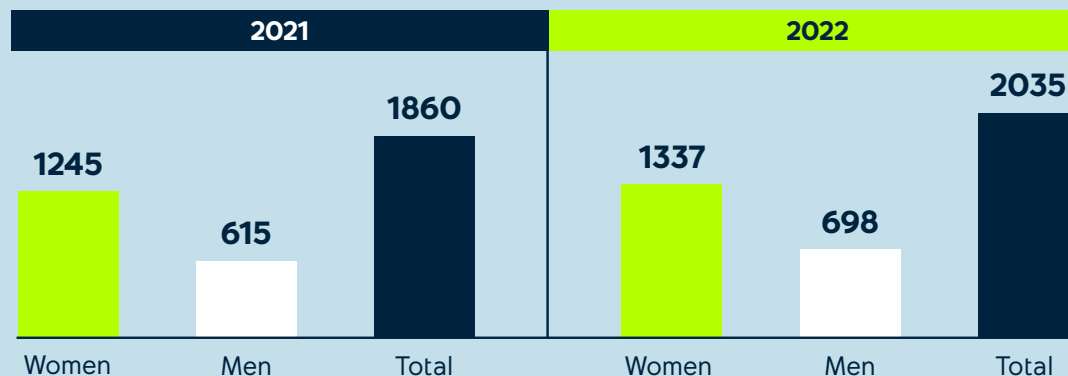


Having been on the market for more than 20 years, Yettel Bulgaria has accumulated solid experience as a pioneer in the field of wireless networks, being the first to launch commercial 4G network in Bulgaria in 2015, the first VoLTE service in 2018, and paving the way for the development of 5G with the first test of fifth-generation networks in the country. We were the first ones to provide some of the solutions that potentially led the digital transformation in Bulgaria - provided the first GPRS services in 2002; offered the integrated telecommunication solution MVPN in 2004; and introduced a service with two mobile numbers in one. Following its long journey as a truly innovative company, in June 2021 Yettel secured 5G availability to the Bulgarian population.

Throughout our long history of doing business, we have always been focused on doing what we are best at - improving people's lives by providing the latest technologies and services in the field.

With its headquarters in Sofia and a total of 182 shops, one repair center, a warehouse, and 14 corporate offices, Yettel has a strong presence all around the country, allowing us to provide our high-quality services and products to a large part of the population.

Number of employees at Yettel Bulgaria



CETIN Bulgaria - which is part of the CETIN Group that was established within the PPF Telecom Group and leads the Group's infrastructure and wholesale activities, provides the network for Yettel's connectivity services. This split allows Yettel to focus on further bettering its services and products, while CETIN takes care of its telecommunication and IT infrastructure services. Owning and operating one of the largest electronic communications networks in Bulgaria, CETIN covers over 97% of the 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. The company's upper-layer data services are provided over the DWDM network, while 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).

Map of Yettel Bulgaria's retail network



1. Sustainability at Yettel

1.1 Our values

We at Yettel believe that the role of technology is not only to make our daily lives easier but also to make a lasting impact in the world. At the heart of our mission is the pursuit of balance in every aspect of life, but first and foremost - balance in our relationship with technology. To achieve this balance for our people, we dedicate a lot of effort, time, and resources to create a culture that cultivates that. We are strong believers in the notion that our people are our greatest asset and that happy employees make happy customers. The combination of our values - being **simple, helpful, fast, and responsible** - serves as a compass that leads us on our way toward creating a more connected and engaged society, and helps us reach that balance for our customers, employees, and other stakeholders along the value chain. Our fourth value - being responsible - is a testimony to Yettel's dedication to sustainability and to operating with respect for nature and people. At every step of the way, we take special care to make sure that our services and products are reliable and safe and remain cautious about the environmental and social impact of our technology.



1.2 Our strategy

Our strong commitment to our values is manifested in our Sustainability Strategy 2028. Our strategy consists of policies, measures, and goals in areas where telecommunications can contribute to actually addressing existing economic, social, and environmental challenges, and it goes hand in hand with the company's business goals.

Yettel's Sustainability Strategy 2028 was first announced in our Sustainability Report 2021, where the 5-year action plan was laid out together with the measurable goals and the concrete sustainable business practices the company had committed to. To follow up on that, this year's Sustainability Report outlines the results of those practices and the progress made on the set targets.

Our Sustainability Strategy is a collaborative effort between Yettel and other telecommunication companies within the PPF Telecom Group as well as the Group's management team itself. In 2021 a steering group, consisting of all regional CEOs - including that of Yettel Bulgaria as well as the Group's CEO, was charged with the task of determining the material topics for PPF Telecom Group and its local subsidiaries. Following the approval of the local strategy and to this day, the steering group continues functioning as such and actively advises on the further implementation of the strategy.

In line with the material topics and the general direction set by the Group, our local Sustainability team has worked on the development of SMART targets. In addition to that, approximately 30 stakeholders representing different teams across the company were involved in the process of the strategy creation, which ensured ownership and feasibility, but also increased employee awareness and engagement with the company's sustainability journey. Eventually, the targets were verified by the senior management and approved by the executive management team - the highest governance body of Yettel, reflecting strong management involvement.

Our Sustainability Strategy 2028



Environment



Reduce our CO₂ 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



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



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



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

* PPF Telecom Group publicly committed to setting GHG emission reduction targets aligned with the Science Based Targets initiative's target-setting criteria in August 2022. The group is currently preparing a comprehensive programme to enable the reduction GHG emissions, which should be finalized by Aug 2024.

Environment

We acknowledge the importance of preserving the environment and the natural resources. This is why we commit to following a strict policy of minimal environmental impact of our operations and across the value chain by focusing on reducing our energy and fuel consumption, sourcing renewable energy, and better managing our input materials and waste. We aim to utilize new technologies to the fullest for the achievement of our environmental goals.

How we will achieve our goals:

- Developing a program for reducing emissions
- Supporting the principles of circular economy
- Sustainable packaging practices



People

At Yettel, we believe that to change the world we need to be surrounded by like-minded people. We commit to building an inclusive and fair work environment where everyone is encouraged to develop, and through various volunteering initiatives, we aim to engage our colleagues in caring for society and nature. In addition, we strive to inform our customers on the topic of sustainable living.

How we will achieve our goals:

- Inclusion programs
- Training opportunities for all employees
- Encouraging career change & progression
- Volunteer initiatives
- Educational campaigns
- Campaigns on sustainable living

Tech for a sustainable future

Yettel strives to contribute to the digital economy by providing inclusive and safe connectivity, supported by the continuous rollout of solutions that benefit businesses, people, and the environment.

How we will achieve our goals:

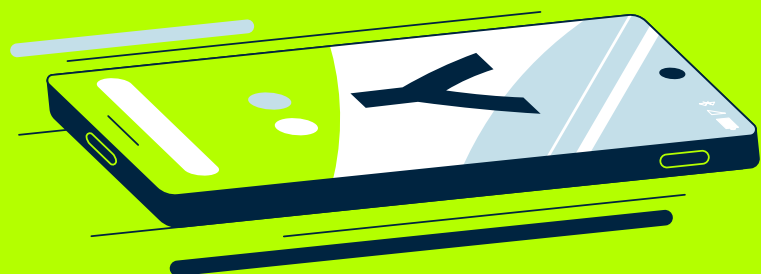
- Providing better connectivity
- Promoting digital education and awareness
- Developing smart solutions benefitting all our stakeholders
- Safeguarding cybersecurity and personal data

Acting with integrity and transparency

To make the integration of our sustainability strategy with our business practices easier, we are working towards increasing both the awareness and acceptance of our employees and suppliers towards the topic.

How we will achieve our goals:

- Sustainability-related training for our employees and senior management
- Promoting digital education and awareness
- Developing a supplier engagement plan



We are very proud that our efforts to develop a long-term Sustainability Strategy were publicly recognized. In 2022, we won PwC's Award for Sustainability Strategy in the contest "ESG Awards 2022" which was held for the first time that year. This Award is the highest recognition of our efforts to build a future-oriented, sustainable business and proof of the heights we can reach when working together towards our long-term commitment to sustainability.

The ESG Awards contest of PwC Bulgaria included nearly 70 companies that implement effective ESG strategies and offer innovative products and services with a positive effect on the environment and society. There were four thematic categories, with Yettel winning first place among the telecoms in the Strategy category.

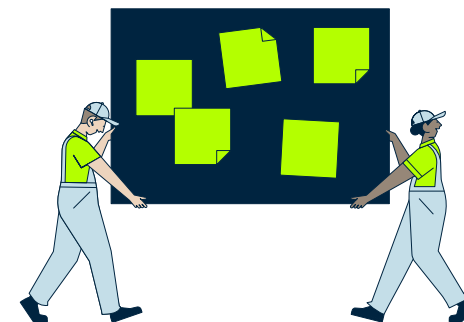
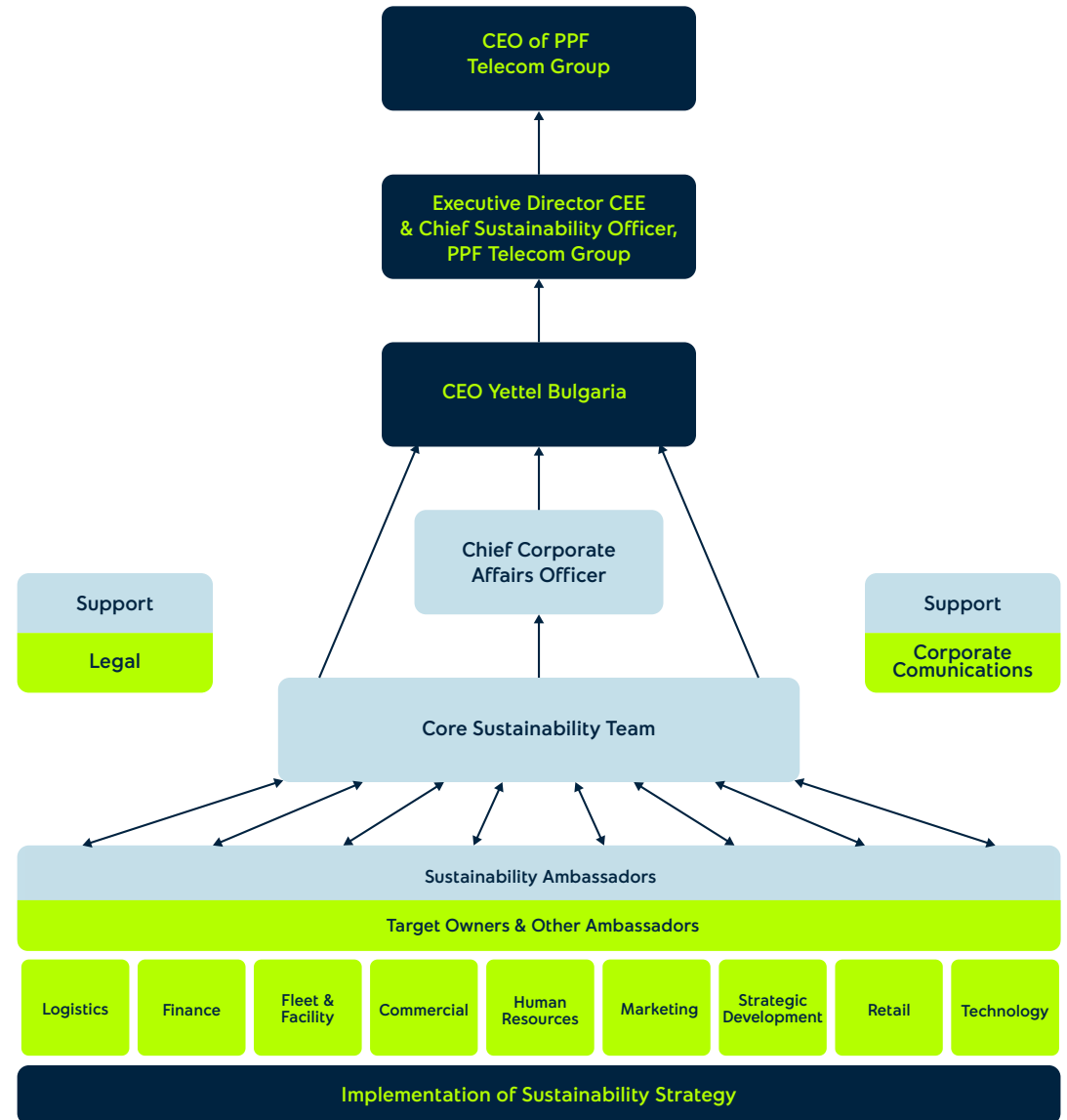
1.3 How we govern sustainability?

We realize that to achieve tangible results in the areas of our sustainability targets, we need to create accountability within the organization by establishing a strong sustainability governance structure.

Besides our Sustainability Core Team, which consists of field experts, the Chiefs of each department and the CEO are highly involved in the consultation of all strategic sustainability decisions and the management of the organization's impacts on stakeholders, such as the economy, the environment, and the people. These members of the highest body are also responsible for the evaluation of the accuracy and timeliness of the sustainability-related disclosures. The Sustainability Core Team reports directly to the Chief Corporate Affairs Officer and to the CEO. The team also provides all Chief Officers and the CEO with a monthly update on the progress towards the sustainability targets and the sustainable business strategy. Each of the targets within the Sustainability Strategy has an appointed target owner, who is responsible for all related projects and for the result delivery, and an appointed sponsor who is a member of the CXO team. All target results are collected and shared on a quarterly basis.

Our team of Sustainability ambassadors, which includes the Target Owners and a few additional ambassadors, working on key positions in the company, are responsible for the supervision and implementation of the Sustainability Strategy within their department and according to their competence. The Sustainability Core Team's responsibility is to coordinate the sustainability agenda to ensure cross-departmental cohesion.

There are 16 Sustainability Ambassadors in total - each responsible for their respective department, including Logistics, Finance, Fleet & Facility, Human Resources, Marketing, Strategic Development, Technology, and Commercial and Retail teams. The Legal and Corporate Communications departments have a supporting role.



Communication roadmap for our Sustainability strategy

We understand that if we want to be successful in achieving our sustainability vision and goals, we need the support of all our employees. To make this happen, our Sustainability Core Team, together with the Internal Communications and Human Resources departments, developed a detailed three-layered communication plan. It aims at bringing all our employees up to date with our sustainability values, which would result into understanding and incorporating them into their day-to-day work. The goal was to familiarize all our employees with the Sustainability Strategy and to engage them in different ways with the topic by the end of 2022.



Raising awareness about sustainability

Yettel successfully implemented initiatives to educate its employees on the topic of sustainability. As a first important step, a **one-stop-shop website**, which provides easy access to sustainability information was created. During 2022, we further organized two **company-wide webinars**, one focusing on Yettel's material topics, and the other - devoted to announcing our first Sustainability Report and the goals included in our Sustainability Strategy.

Additionally, the topic of Sustainability was embedded in the **onboarding of all new employees** in the company, whereas a specialized **online course** was created for our colleagues in the Retail segment.

In 2022, twelve of our employees, working on key for the implementation of the ESG strategy positions, also underwent a dedicated **ESG Academy**, organized in collaboration with Sofia University.

ESG Podcasts

Apart from all those efforts, 2022 also marked the launch of a series of monthly podcasts for our employees that focus on the actions Yettel is taking to fulfill its Sustainability Strategy. The podcasts are hosted by the Sustainability Core team with both internal and external guests, and each episode focuses on a different pillar and topic of the strategy.

The podcasts are done in collaboration with Teen Station - a youth project, which gathers a group of students, who want to professionally develop in the media field. Through this joint project, the students have helped us spread the important sustainability messages among our colleagues in a creative way, while learning more about and gaining valuable working experience in their field of professional interest.

Engaging Yettel employees with the topic

Realizing that sustainability is not an end goal - it is a way of living, we focused our efforts on creating three monthly campaigns, aiming to highlight specific actions within each ESG theme, and raising awareness among employees about their individual contribution both at work and in their daily lives. As the company's promise to our employees is that with us they can be themselves and make an impact, we gave the opportunity to colleagues from various departments to design those campaigns.



Creating a community

The more we communicated about sustainability, the more we realized that among our colleagues there are a lot of people interested in the topic. That is why, in the summer of 2022, we created our own ESG Crew which was initially joined by 24 volunteers from various teams but has now grown to 34 people from across the organization. The volunteers in our crew are highly motivated to contribute to our sustainability efforts and to employee engagement. Their main tasks include raising awareness on the topic among the rest of the colleagues, as well as involving them in various initiatives to help them make the first (or following) step towards a sustainable way of living.

Read below about the first two campaigns organized by the ESG Crew:

Sustainable Living Challenge

In September 2022, we introduced the Sustainable Living Challenge, which aimed at motivating our employees to learn about the topic and apply sustainable practices in their daily lives in a fun and competitive way. 130 participants, split into 33 teams, took part in the first ESG Challenge “The change starts with small steps”. The participants proved that with little knowledge and a lot of desire, each of us can take small steps towards a better balance with nature and a sustainable future. A further incentive for the participants was the possibility to win different prizes that also promoted sustainable living.

Among the challenges were: taking public transport to work, cooking dishes out of local food for your colleagues, picking up trash, and cleaning local areas in teams.

Yettel Hanger – a second chance for our belongings

One of our latest initiatives, the first edition of which took place in October 2022, and was later repeated in 2023, was an exchange of clothes and items amongst our employees, which represents an innovative way to promote the principles of circular economy, namely the reuse of items. Within the first 3 days of the initiative, over 150 clothing items have been exchanged. Clothes and other items that could not find a new home were donated to different foundations that could make good use of them.

During the second edition of the campaign, which took place in January 2023, we exchanged 247 children's clothes and toys, which our kids no longer use. This new theme of Yettel Hanger served as a good example also for our children, who learned more about the importance of sharing with each other and caring for the environment.

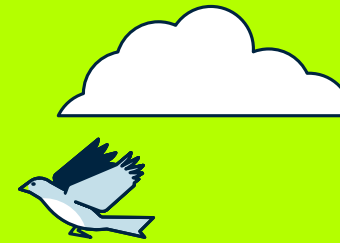
The Yettel Hanger initiative proved to be not only an easy way to free up some space at home, but also to help nature by saving the resources used in production, such as water and electricity, and preventing different pieces from going to landfill and, thus, polluting the environment. Focusing on those benefits and based on the feedback of the first Yettel Hanger initiatives, the ESG Crew decided to also create a handbook with useful information on how and where to dispose of different types of waste.



1.4 Stakeholder engagement

Being aware of the broader impact of our organization on the economy, environment, and people, we understand the importance of stakeholder engagement as it helps us consider the needs and desires of anyone who has a stake in our organization. To understand who our key stakeholders are, we follow a procedure of identifying, mapping, and prioritizing different stakeholder groups.

On our way towards economic growth and prosperity, we want to make sure that our key internal and external stakeholders - our employees, clients, suppliers, and general population, prosper along with us, and that their needs and opinions are heard and considered. For that reason, we continuously work on providing new opportunities and channels for information exchange and feedback. This not only helps us better understand what the issues of most significance to the company are, but the feedback allows us to improve ourselves upon the aspects that matter most to our stakeholders. Maintaining and fostering an environment of open, two-way communication with our stakeholders allows us to build mutual trust and respect and strengthen our relationships in the long term.



Stakeholder group	Mode of communication	Purpose of stakeholder engagement
Employees	Digital Office application - a company application where employees can read about news and important policies and 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; Internal initiatives ran by Yettel.	We strive to ensure that all our employees are aware of the changes in the organization, both in terms of sustainability governance and in respect to wider policy amendments. We make sure that they are aware of the employment details, 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 them on the topic, to create a strong community, and to obtain wider agreement about our measures. To that end, we give them the opportunity to share their ideas by participating in the ESG Crew or through specifically designed ideas forms. In addition, we engage 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.
Clients	Our website and social media channels; Customer satisfaction surveys for mobile services customers; Feedback forms distributed through our application; Retail shops and call centers.	We aim to receive regular feedback from our clients, both for the quality of our services, their perception of our brand, and our position in comparison to our competitors. We want to know their attitudes towards our sustainability initiatives and their perception of our brand in regard to sustainability. We have an open grievance procedure and thoroughly review each complaint we receive.
Suppliers	Due diligence procedures	We engage with our suppliers to ensure that they comply with the applicable laws and adhere to the principles adopted in Yettel's Ethics and Compliance Policy. We further engage in social and environmental issues, working together with them to limit the negative impact of our upstream operations.
General Population	Brand tracker surveys; Research focusing on attitudes toward sustainable living.	We center our brand around the people and, thus, we strive to understand them better through gathering feedback about 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 Materiality assessment and material topics

The materiality assessment is a vital process that helps us identify, assess, and prioritize environmental, social, and governance (ESG) topics that meet stakeholder expectations and may have an impact on an organization. As such, it facilitates the development of an effective strategy and the creation of long-term value by allowing us to focus our efforts on the priority areas that matter most.

As it is considered an iterative process, which requires regular re-assessment, in the beginning of 2023 we conducted our annual materiality assessment in collaboration with the PPF Telecom Group. Our senior management was actively involved in the process through the steering committee that is responsible for coordinating the sustainability agenda at Group level.

To determine the material topics, we followed a four-step methodology, as instructed by the GRI best practice:

1.

Understand the organizational context

2.

Identify actual & potential impacts

3.

Assess the significance of the impacts

4.

Prioritize the most significant impacts for reporting

Gaining a deep understanding of the organizational context of the Group provided us with key information for identifying actual and potential impacts. We have collected that information with the help of focused stakeholder surveys/questionnaires, consultation of sector-relevant ESG regulations and standards, identification of global and local trends in the telecommunications sector as well as an assessment of the sustainability performance of other organizations in the sector. The focused surveys reflected experts' and stakeholders' views on ESG topics and impacts, amongst which were investors, financial institutions, government agencies, media, customers, suppliers, and employees, while the last step of the methodology consisted of testing the selected material topics with experts and information users.

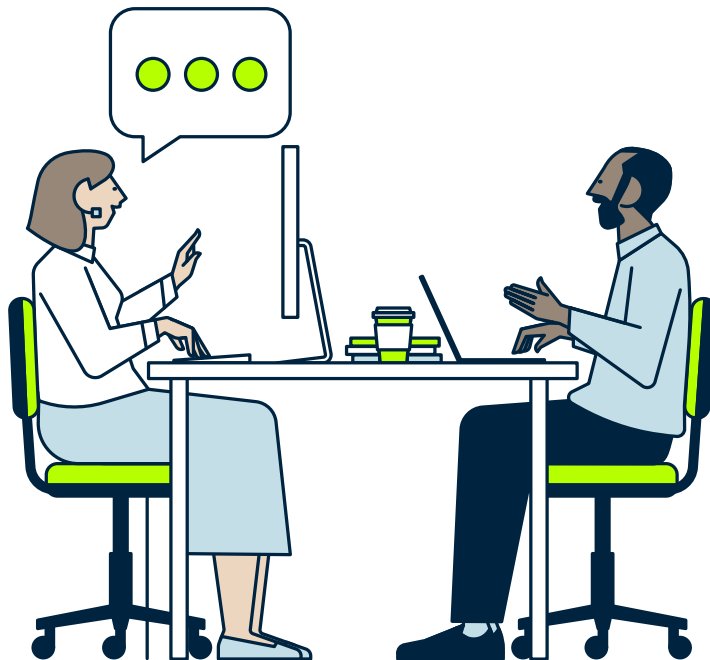
The material topics prioritization was based on two criteria used for the PPF Group's ESG impact assessment:

- Topic's relevance in terms of standards, regulations, and sector trends
- Topic's relevance from the stakeholder perspective, including social, environmental, and economic impacts caused by the company's activities.



Stakeholder engagement plays a crucial part in achieving our high sustainability ambitions and goals. To further involve them in the process, focused surveys with different stakeholder groups have been conducted on a Group level. When assessing the relevance of ESG topics to the Group, the key stakeholders' perception of the importance of each topic in terms of its ESG impact was considered.

A total of 172 people participated (amongst which were investors, government officials, customers, suppliers, employees, and media representatives) in the survey, helping us gain a deeper understanding of their perspective. Additionally, the survey delivered insights into the levels of engagement of our stakeholders. When asked, more than 60% of the participants said they have read the Sustainability Report 2021 of either the PPF Telecom Group or one of its local subsidiaries (Yettel included). The observed results not only showcased a good level of engagement but also proved how highly valued our efforts to report and be transparent about our sustainability practices are by our stakeholders.



Based on the impact materiality analysis, 9 out of the 14 assessed topics go above our defined materiality threshold - which is a level of impact materiality above 2.0, meaning they have been identified as material topics for the Group and, more specifically, for Yettel Bulgaria.

Additionally, we have further included 4 topics that we consider to be of utmost importance to our organization in terms of impact: Diversity & Inclusion; Innovation, research, and development; Human rights protection; Local communities.

#	Topic	Impact materiality score	Identified in the analysis	Topic of additional importance
1	Corporate governance	4.4	✓	
2	Climate change	4.3	✓	
3	Waste & circular economy	4.2	✓	
4	Cybersecurity & data privacy	3.1	✓	
5	Employment & skills development	2.5	✓	
6	Sustainable supply chains	2.3	✓	
7	Occupational health & safety	2.3	✓	
8	Digital inclusion & coverage	2.3	✓	
9	Product & service accessibility, client responsibility	2.1	✓	
10	Water use & water management	2.0		
11	Diversity & inclusion	1.9		✓
12	Innovation, research, and development	1.2		✓
13	Human rights protection	1.2		✓
14	Local communities	1.2		✓

No additional topics were identified as material in comparison to the 2021 material topics, which confirms the long-term relevance of the direction and focus of both PPF Telecom Group and Yettel Bulgaria's Sustainability strategies. However, the analysis concluded that the topic "Network deployment" does not need to be featured as a standalone material topic but should rather be covered in the topic "Health and safety", while "Protection of Human Rights" should be included as part of several other topics such as "Corporate governance" and "Sustainable supply chains".

1.6 Contribution to the UN Sustainable Development Goals

We have integrated the UN Sustainable Development Goals into our existing business practices and sustainability reporting due to the widespread recognition and robustness of the framework. As a company that is driven by the mission to be of service to society and the environment, aligning our contributions with topically and timely relevant issues is of great importance to us. Through business innovation, the private sector can be the source of critical solutions needed to solve global challenges. As a telecommunications company, through our technological innovations and solutions, we contribute to a more just and inclusive society by providing reliable connections for all people and, thus, granting them the right to be equally included in the political, social, and economic life. Also, as a business of our scale, our actions do not only have a broad positive impact on the environment but can also serve as an example that can shape our whole industry.

Therefore, Yettel Bulgaria, in collaboration with the PPF Telecom Group, has committed to align our policy commitments, business model, and sustainability strategy with the UN SDGs, and has developed a guideline that links our materiality topics with the SDGs to keep our focus on what matters.



SUSTAINABLE DEVELOPMENT GOALS



2. Reducing our environmental footprint

2.1 Energy, greenhouse gasses, and other air-polluting emissions

One of the biggest challenges we are facing nowadays as a society is finding a way to balance economic growth with environmental protection. Increased energy consumption leads to increased emissions of greenhouse gasses and certain air pollutants, which in turn contributes to climate change. The urgent need for action has already been recognized by the international community - a product of this is the Paris Agreement which is an agreement between all 194 Parties (193 States plus the European Union) to reach net zero emissions by 2050.

Climate change is a material topic for Yettel not only because of the direct physical risks it poses but also because of the shift it has stirred, also in terms of stakeholders' expectations towards a low-carbon economy.

Therefore, we at Yettel feel a great responsibility to do our share and contribute to a greener future. This is especially important for us due to the nature of our services, which consume significant amounts of energy due to higher data transmission and data storage which increases the energy consumption. Our indirect emissions make up the biggest part of our carbon footprint as our network infrastructure is the main factor in terms of energy consumption. Given these circumstances, there is a compelling need for us to optimize our energy usage. We work closely with our network provider CETIN to identify and implement the latest, most energy-efficient solutions. From optimizing our energy consumption to exploring renewable energy options, all our efforts are directed towards reducing our environmental impact.



OUR GOAL: To achieve carbon neutrality by 2050 or sooner by reducing our carbon emissions in Scope 1, 2 and 3 and our emissions intensity

Achieving our ambitions is not possible without proper monitoring and measurement of the progress on those goals. In that regard, we have adopted the **international standard ISO 14001** - a set of requirements for managing an organization's environmental impact, which helps us assess the effectiveness of our methods and identify areas for improvement but also hold ourselves accountable. Our informational campaigns help us keep our employees up to date about the adopted methods to identify environmental aspects and consequences of our activities, which serves as an initiative to stimulate employees' acquaintance with and acceptance of the company's Environmental Policy.

As part of our commitment to reducing our GHG emissions, the PPF Telecom Group has already committed to and is currently in the process of setting GHG emission reduction targets, aligned with the Science Based Targets initiative (SBTi). Our goal is to prepare a comprehensive program by 2024 that will enable us to reduce our GHG emissions in accordance with the Paris Agreement's Net Zero ambitions.

Energy consumption by fuel source (in kWh)

Fuel Source	2020	2021	2022
Diesel	284,553	185,497	107,896
Petrol	3,508,910	3,601,406	3,724,557
Natural gas	165,753	231,910	134,440
Central heating	108,610	334,040	865,817
Grid electricity	5,906,936	6,393,381	4,723,691
Green electricity	0	0	92,180

Energy consumption by type (in kWh)

Energy consumption	2020	2021	2022
Electricity	5,906,936	6,393,381	4,723,691
Heating	108,610	334,040	865,817
Fuel	3,959,216	4,018,812	3,966,893
Renewable electricity	0	0	92,180
Total energy consumption within the organization	9,974,763	10,746,233	9,648 581

25.10 kWh/1,000 EUR revenue
Energy intensity for 2021

21.10 kWh/1,000 EUR revenue
Energy intensity for 2022

10% energy reduction in 2022
compared to 2021

In our first Sustainability Report 2021, we have presented our emissions from Scope 1, 2 & 3 - a result from our first carbon footprint assessment covering the period between 2019-2021, and following the requirements of the GHG Protocol standards. The assessment was done in collaboration with the PPF Telecom Group, the results of which were then used as a starting point to further set emission reduction targets in line with the SBTi, and measures for achieving these targets.

In 2022, we have made a number of improvements in the methodology we apply to our carbon footprint assessment, which triggers a change in the operational boundary of our inventory, and thus, as per the GHG Protocol, a restatement of the data from the previous reporting period is required. Our threshold for restatement is changing amounting to more than 5 % of our total GHG emissions.

One of the changes in the methodology is the removal of employee transport and business travel emissions from the scope of the inventory. According to our 2019-2021 analysis, these contribute less than 0.01% of the total emissions. In 2022, we have analyzed how the emissions may change due to the post-COVID situation and even with a 3x increase in travel, emissions would still fall below our 5% restatement threshold.

In addition, as part of the emissions restatement, the GHG calculations for Scope 1 and 2 have been performed with the latest available emissions factors for each energy type. When calculating the Scope 3 Purchased Goods & Services emissions we apply the spend-based approach with emissions factors with a 2019 base year. Following best practices, we have adjusted said factors for inflation for the entire reporting period. We have also conducted preliminary research into the countries of manufacturing of key spending categories (devices, network infrastructure) and refined our assessment procedures for local device resellers. For spending categories where we have identified the country of sourcing, we are referring to sector-average emissions attributable to the country of sourcing. This is an ongoing process and part of our long-term approach in managing Scope 3 emissions.

And lastly, given that CETIN is part of the PPF Telecom Group and we have detailed information about its emissions, we have added the respective part of the emissions of CETIN Bulgaria to Yettel's Scope 3 emissions (based on share of revenue).

The table below presents the results from our second carbon footprint assessment for the year 2022, including the direct and indirect emissions from our network and retail businesses across Bulgaria:

CO ₂ emissions (market-based)	2020	2021	2022
Scope 1 (Total in tCO ₂ e)	1,110	1,059	1,082
Scope 2 (Total in tCO ₂ e) market-based	2,609	2,876	1,965
Total GHG emissions Scope 1 and 2 (tCO ₂ e) market-based	3,719	3,935	3,047
Scope 3 (in tCO ₂ e) without CETIN's Emissions	74,508	83,382	102,477
Scope 3 (in tCO ₂ e) from CETIN Bulgaria (on market-based approach)	57,582	79,403	60,962
Scope 3 (Total in tCO ₂ e)	132,091	162,785	163,438
Total GHG emissions Scope 1, 2, 3 (tCO ₂ e, market-based) including CETIN's emissions	135,810	166,721	166,485
Emission intensity Scope 1+2+3 (tCO ₂ e/1,000 EUR revenue)	0.336	0.389	0.364



Scope 1 Emissions

Direct emissions that are within our control

- Diesel, petrol, and other fuel used by cars and commercial vehicles owned or leased by our company.
- Fuels used for generators in off-grid areas, or where back-up capacity is required.
- Natural gas and other heating fuels used for space heating and hot water in our premises.
- Fugitive releases of refrigerants or fire suppressants used for air-conditioning or fire control systems in our premises.



Scope 2 Emissions

Emissions from electricity and heat purchased to power our offices, retail stores, commercial warehouses, and repair centers



Scope 3 Emissions

Indirect emissions that we do not directly control but may be able to influence

- 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.



Emissions from energy consumption outside the organization, 2022 (tCO₂e)
 Use of sold products (charging by customers): 1,672
 Fuel and energy-related activities: 288

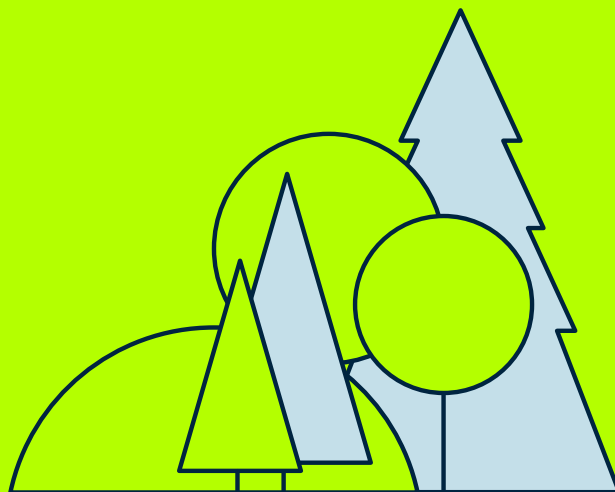
2.2 Our decarbonization initiatives

Optimization of our network energy efficiency

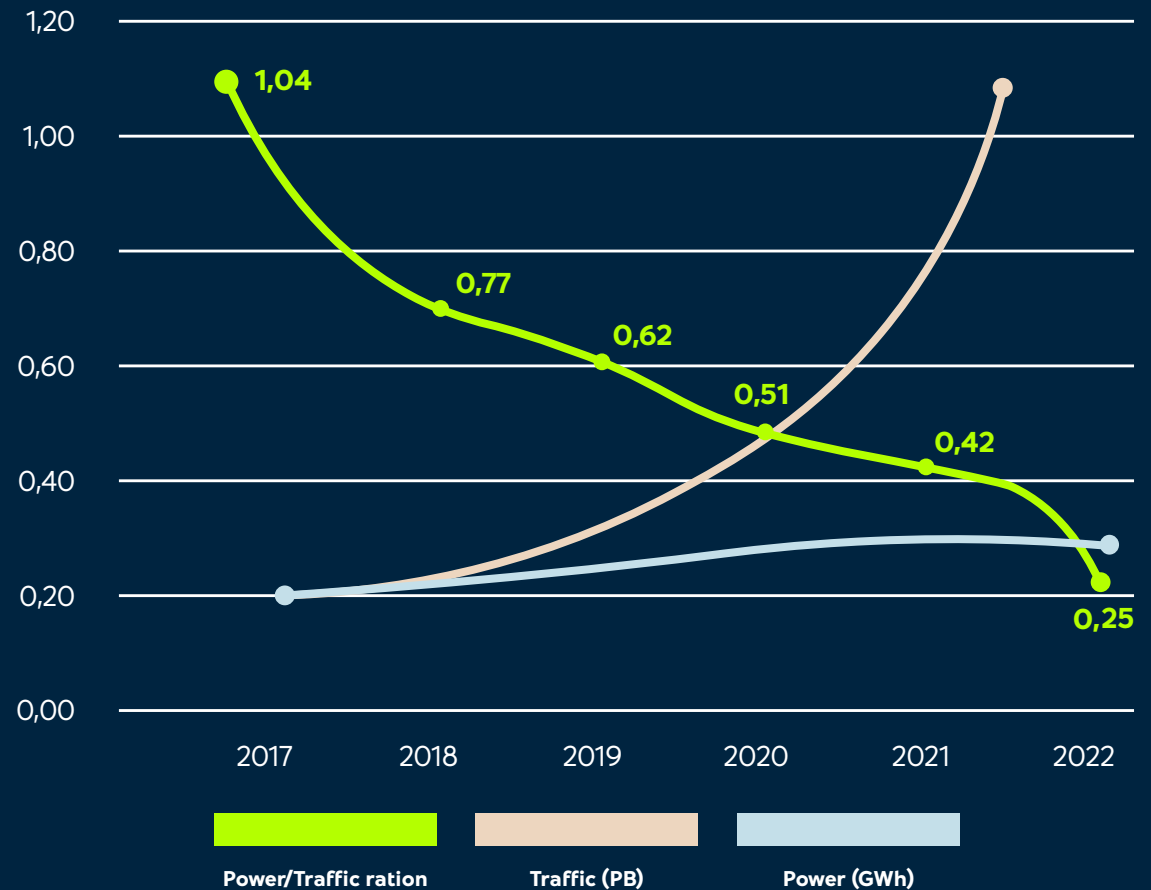
Although most of the emissions generated by our business are classified as indirect, we acknowledge that our network infrastructure is the most significant contributor to energy consumption. Therefore, we consider that the more the traffic in our network grows, the more efficient our energy usage should be. That is why we focus our efforts on the optimization of our energy consumption and work closely with CETIN Bulgaria in this area. We managed to significantly improve the efficiency of our network with the help of different power functions in the data centers, as well as in the different equipment modules.

As a result of those initiatives, over the past five years the efficiency of Yettel's network has quadrupled. This significant achievement demonstrates our commitment to optimize our resource use which continues to drive us forward towards a greener future.

The graph to the right shows that despite the increased levels of traffic-suggesting higher electricity consumption over the last 5 years, the power demand has remained rather steady, which results in a dropping power-to-traffic ratio. This means that with one unit of electricity today we can support four times more traffic as compared to 5 years ago.



Power to traffic ratio



Optimization of the energy efficiency in our buildings

On top of assessing our carbon footprint in the first half of 2022 and preparing a strategy for reduction of the GHG emissions in our operations, we have taken several further measures to limit our environmental impact and reach our respective targets.

In the previous reporting period, we installed an energy-efficient system for cooling and heating, and a building management system (BMS) with smart zone controllers, which is automatically regulated based on the number of people present. The System for cooling and heating has already yielded consequential results, increasing the energy efficiency by 7%. Based on the last changes we made in the operating model of the HVAC system, a higher efficiency was achieved, which in 2022 yielded 40% energy savings in comparison to the average consumption of previous years.

Additionally, we equipped our stores, office locations, warehouse, and repair center, with LED lights, which helped us achieve significant amounts of energy savings. All our stores are already equipped with 100% LED lights. We are also planning to increase that percentage in our warehouse and repair center from 75% in 2021 to 100% by August 2023.

In the current reporting period, we continue working towards improving the energy efficiency of our facilities and building onto the already successfully implemented initiatives.



Building Management System (BMS) upgrade

In 2022, we have successfully implemented a pilot project for energy efficiency in our central office - our existing Building Management System (BMS) for heating and cooling on each floor was upgraded with smart zone controllers for window openings. The system's function essentially is to detect an open window and to immediately send a signal to the control function of the air conditioning and heating units, which then automatically stops the supply of energy. The working mechanism of the system is developed according to the so-called retrofitting method (application of modern technologies and functions to older systems), thanks to which we prevent energy loss from heating and cooling needs. The added value of this project in terms of energy savings is expected to be an average of 5% saved power annually in Yettel.

Deployment of solar technologies

In the second half of 2022 we finalized another project of ours - the installation of a photovoltaic system of solar panels at the rooftop of our headquarter building. This is a widely-used method for commercial buildings because installing solar panels on roofs can be an efficient way of utilizing already available natural energy, as well as using otherwise unused space. In 2022, the solar system produced 4,080 kWh of electricity.

Apart from that, from November 2022 our headquarters are also equipped with a 45 kW Solar thermal system, which can meet up to 80% of the domestic need of our headquarters office for hot water. These initiatives are yet another example of our determination to move away from fossil fuels and towards renewable energy and to decrease our carbon emissions.



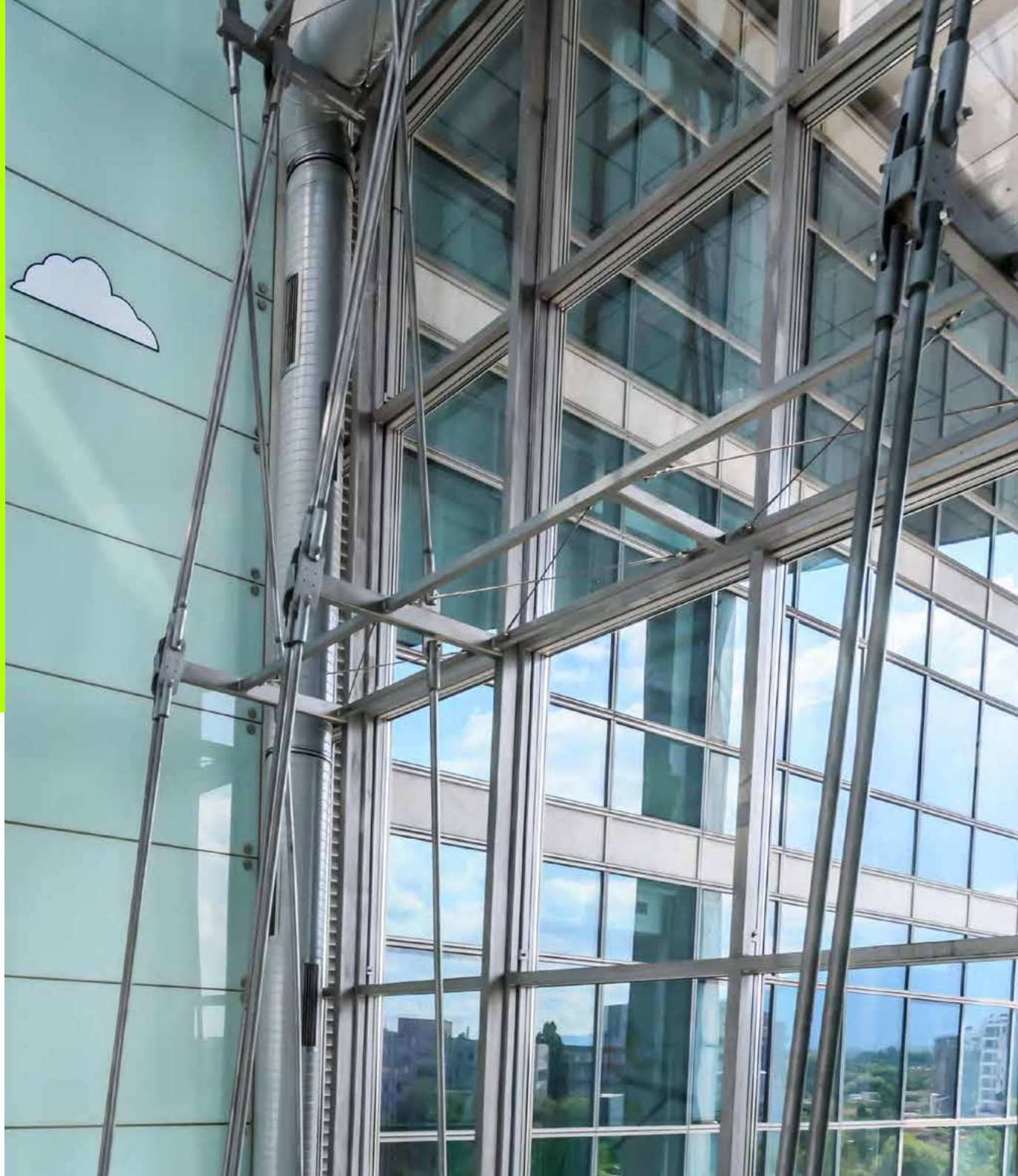
Heating systems update

In line with our attempt to make use of the latest available green technology, we have changed the chillers and refrigerants in our headquarters. Thus, the refrigerants used are an R-32 type environmentally-friendly refrigerant which is currently receiving increasing attention as it is the most balanced one in terms of energy efficiency, safety, and cost-effectiveness. Due to its ability to convey heat efficiently, the use of R-32 can lead to reductions in electricity consumption of up to 10% compared to that of the widely used refrigerants type R-22 and R-410A. In addition to that, compared to R410A, R32 has a three times lower global warming potential (GWP) and a Zero Ozone Depletion Potential (ODP), minimizing its effects on climate change.

Our efforts towards optimization of the energy efficiency of our operations and facilities go beyond the equipment of our headquarters. In 2022, we replaced 13 air conditioning units in our shops across the country with new inverter air conditioners, which are proven to be more efficient and eco-friendly due to their innovative energy-saving technology.

Replacement of old pipes

During 2022, we also upgraded q piping system of our headquarter office with Aquatherm pipes. From their production to their installation and recycling - the use of such pipes has many benefits. Not only are they produced in an environmentally friendly way, but their high quality prevents chemicals from leaking into the drinking water and ensures a longer product life cycle. In addition to that, these pipes are fully recyclable.

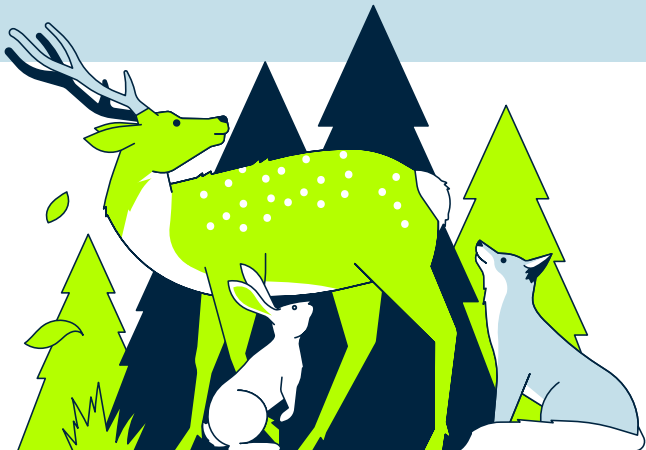


Sourcing renewable energy: Power Purchase Agreement (PPA) with Electrohold

Another milestone in Yettel's sustainability journey and decarbonization plan was the Power Purchase Agreement (PPA) Yettel and CETIN Bulgaria signed with Electrohold for the supply of green energy for the next 10 years. The two companies will cover almost all their energy demand with electricity from renewable sources supplied by Electrohold. According to estimations, this will cover 80%* of the total energy demand of Yettel and 86%* of CETIN's, respectively. In the case of Yettel, this is expected to reduce our Scope 1 and 2 emissions by 60% and our Scope 3 emissions by 32% on a yearly basis.

A major part of the energy for the two companies will be provided by a 123 MW photovoltaic plant (the largest solar plant in Bulgaria up to date), which was completed in June 2023. The overall management of the purchase and realization of the supply will be carried out by the leading trader Electrohold Trade. Being one of the first companies to enter such long-term PPAs in Bulgaria, we hope that this step will not only significantly reduce our own environmental footprint, but it will help stir a shift in the telecommunications industry towards the deployment of a greener network. This is crucial for the green transition of our sector, given its energy intensity.

* These calculations are estimations based on the energy demand of the companies in 2022.

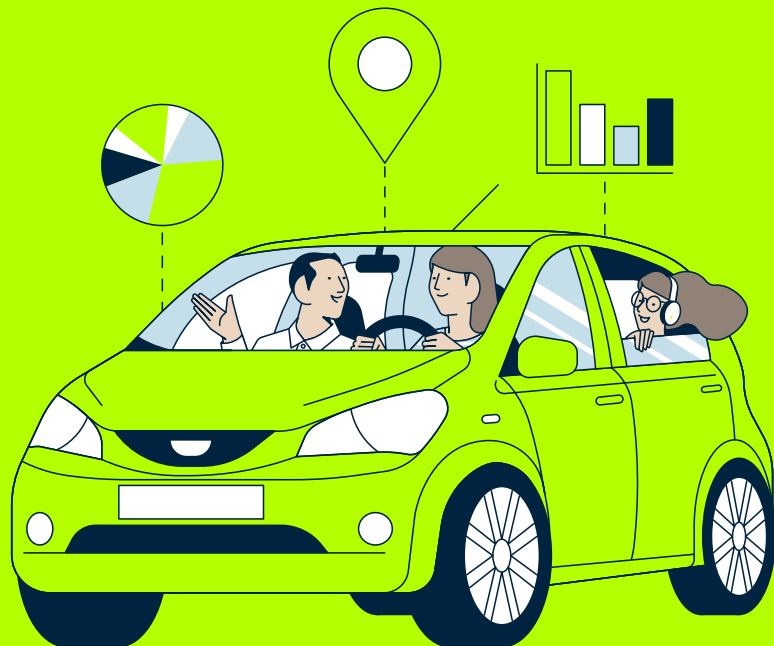


Carbon offsetting

In line with our values and commitment to be in balance with nature, we also considered ways to reduce our carbon footprint by offsetting our GHG emissions in Scope 1. In 2022 we offset a total of 1,140 tons of carbon emissions from our fleet as a collaborative effort with the oil company Shell in Bulgaria.

By including us in the program, Shell takes over the calculation of the carbon emissions of the fuels used by Yettel's company vehicles, charged with Shell fuel cards. The emissions are then offset by purchasing the corresponding amount of carbon credits generated by international projects, focused on the protection and restoration of natural ecosystems.

This strategic partnership with Shell is part of the first stage of Yettel's ambition to become a telecommunications leader in the sustainability domain. The second stage will involve a combination of offsetting and a gradual transition to electric cars, aiming to replace 100% of the company's fleet with modern electric cars with a zero-carbon footprint.



Carbon Credits Retirement Certificate

This is to certify that: **1 140** carbon credits were retired for: **YETTEL BULGARIA EAD**

by Shell from their global carbon credits portfolio on: **10 February 2023**

to compensate for **1 140** tonnes of CO₂e¹ emissions from the Shell products purchased in **2022**.

Serial number

MOB4-MOBILITY-2023M2D10-B-2022-1-13



Project information

- 49.0% Kasigau REDD Project - Phase II, Kenya, VCS ID 612
- 27.0% Katingan Mentaya Project, Indonesia, VCS ID 1477
- 7.0% Cordillera Azul Project, Peru, VCS ID 985
- 7.0% The Conservation Coast, Guatemala, VCS ID 1622
- 5.8% Hechu Afforestation Project, China, VCS ID 1855
- 2.4% Haidong Afforestation Project, China, VCS ID 1832
- 1.1% Guinan Afforestation Project, China, VCS ID 2070
- 0.6% Puzhen Afforestation Project, China, VCS ID 1864
- 0.1% Afforestation Project in Xining City, China, VCS ID 1825

Further information about Shell global carbon credits portfolio can be found at www.shell.com/environmentalproducts and more information on Shell's climate target at www.shell.com/climate/target.

Terms and conditions apply as set out in your agreement. This retirement will be subject to independent annual audit, to be concluded in 2023.

Carbon credits are not a substitute for switching to lower emission energy solutions or reducing the use of fossil fuels. Carbon credits are purchased and retired against the calculated lifecycle CO₂e emissions of the product, in line with the applicable international carbon standards.

¹ meaning CO₂, CH₄, N₂O greenhouse gas emissions, expressed in carbon dioxide equivalents or CO₂e.

The companies in which Shell plc owns investments are separate entities. « Shell » is used for convenience where reference is made to those entities individually or collectively.

2.3 Input materials and waste

Material topic: Waste & circular economy

Waste reduction and recycling practices in line with the principles of circular economy are another integral part of our environmental stewardship efforts. By actively managing our waste streams and leveraging innovative approaches to recycling, we strive to minimize our contribution to landfills and promote more sustainable use of resources.

Raw materials and natural resources are essential for the prosperity of modern economies, but their extensive use comes with a price, as it is inevitably linked to the generation of GHG emissions and other negative environmental impacts across the entire lifecycle of each product. The waste generated, when not properly managed, can be damaging to soil, water and air.

As a company that operates within the telecommunications sector where e-waste is the second most significant factor in terms of environmental footprint, we recognize the issue of waste management and circular economy as a material topic to Yettel. This is why we are set on tackling waste and e-waste in an innovative way and stimulating circularity.

Together with CETIN Bulgaria, we prioritize the reuse or recycling of equipment that is no longer in use, extracting the maximum value from equipment while in use, and then recovering and reusing materials before recycling them responsibly.

Not only do we strive to continuously foster the responsible behavior and sustainable practices in the company, but we also try to encourage our stakeholders to become our allies in our attempt to be in balance with nature.

Breakdown of waste generated for 2021 and 2022 in tons

Waste composition	Waste generated 2021	Waste generated 2022	Waste diverted from disposal 2021	Waste diverted from disposal 2022	Waste directed to disposal 2021	Waste directed to disposal 2022
Domestic waste (office building)	23.04	31.08	0	0	23.04	31.08
Paper (office building)	2.23	2.33	2.23	2.33	0	0
Plastic and metal (office building)	0.75	1.36	0.75	1.36	0	0
Paper (retail network)	8.25	19.04	0	0	8.25	19.04
Plastic (retail network)	1.15	0.36	0	0	1.15	0.36
Wooden pallets (warehouse)	6.92	11.04	6.92	11.04	0	0
Paper packaging tax	48.74	57.46	48.74	57.46	0	0
Plastic packaging tax	6.08	8.25	6.08	8.25	0	0
E-waste own operations (including batteries)	25.47	8.08	25.47	8.08	0	0
E-waste collected from customers (including batteries)	2.61	3.20	2.61	3.2	0	0
Total	125.24	142.20	92.80	91.72	32.44	50.48

In 2022, we managed to prevent the disposal to landfill of 91.72 tons of waste by recycling or reusing (upcycling), which is 65% of the total generated waste for 2022

We strongly believe that the success of Yettel's sustainability journey starts with and depends on our employees, so we try to promote circular economy practices within the office in different ways.

Recycling in the office

Our employees are engaged in the waste recycling process through promotion of the importance of their participation in the primary separate waste collection in our offices. On each floor in our offices we have designated areas for separate waste collection and, in order to make the process even easier for our employees, in 2022 we placed information boards and signs with instructions around the office and created and distributed a special Handbook with detailed guidelines on how to dispose of waste correctly. In addition to the usual paper, plastic, and metal bins, we also provided new bins for glass recycling in our cafeteria.

As the topic of electronic waste is close to our business, all our offices and our warehouse are also equipped with e-waste collection points where our employees can quickly and easily dispose of unused small electronics and batteries. The company then takes the responsibility for managing the e-waste collected in those points in a proper manner - it is being recycled by a vendor we work with. Additionally, the equipment from our corporate offices, shops, and warehouses is properly collected and handed to Yettel's vendors for reuse, repair, refurbishment, or recycling.

To add to the efforts towards reducing waste in our premises, in July 2022, the plastic cutlery in the cafeteria of our central office was replaced with metal ones. Metal knives, forks, and spoons were provided for use, and PVC drink bottles were replaced with water in glass bottles.



GOAL: To prevent at least 127,000 kg of e-waste from going to landfill by 2028

We 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.

Addressing the topic of e-waste

Studies show that the average duration of usage of a smartphone is around 24 months, and amongst the main reasons for that are occurring problems in the devices. This trend means no optimal use of resources and increased generation of e-waste. According to data provided by the European Parliament, e-waste is one of the fastest-growing waste streams globally, with estimations pointing at 57.4 Mt (Million Metric Tons) of e-waste generated in 2021. Meanwhile, only 17.4% of the e-waste is known to be collected and properly recycled. The consequence of that tendency is that in 2023, the amount of unrecycled e-waste on earth is above the staggering 347 Mt. In 2022, the e-waste output of the world weighs the equivalent of 375 cruise ships. Many of the materials used to produce electronic devices, if disposed at a landfill, pose a risk to the environment as well as to the people's health, which puts an even further emphasis on the need for countermeasures against waste generation and for its proper disposal.

We at Yettel know that besides optimal resource use and recycling, extending the life cycle of our products is yet another crucial way to reach a sustainable future and a circular economy. We address this issue by offering several solutions:

- Prolonged guarantee on all smartphones
- Own repair center to extend a device's life cycle
- Recycle and Save program

Prolonged guarantee on all smartphones

Yettel is the first mobile operator in Bulgaria that offers not 2, but 3 years of free guarantee for all smartphones in its portfolio. Under the motto "More Time Together", Yettel's new policy, which we introduced in February 2023, aims to extend the life of users' favorite devices and help them preserve the moments that matter to them for a longer time. This initiative is directly linked with our commitment to prevent 127,000 kg. e-waste going to landfill. The extended warranty period allows for a longer life cycle of the devices, which has a direct effect on generating less e-waste and saving natural resources, such as electricity and over 70 precious metals needed to manufacture new devices.

But this initiative fulfills another very important purpose - to set an example with real actions that caring for consumers can and should go hand in hand with caring for the environment. The decision to introduce this product on favorable for the client terms aims to stimulate consumers to be more mindful about their smartphone purchases and delay to the extent possible the purchase of a new smartphone. Therefore, the company also aligns itself with the EU's policy that focuses on longevity and the durability of the products and stimulates consumers to repair as much as possible as opposed to buying a new device.



Own repair center

We have our own repair center, where we extend the life of our clients' devices and accessories with the help of our technical experts working in our repair center. We put high emphasis on the quality of the repair process, which is why we work only with original parts, purchased directly from the manufacturers, and have additional quality control embedded in the process. To cater the needs of the clients, a device status tracking function is available through Yettel's website. Customers of Yettel can benefit from an additional option to get a replacement device of the same grade for the period while their own is being repaired. Yettel is the only operator in Bulgaria with its own authorized service center, which provides warranty and non-warranty services for the most popular brands and models of smartphones, regardless of where they were purchased.

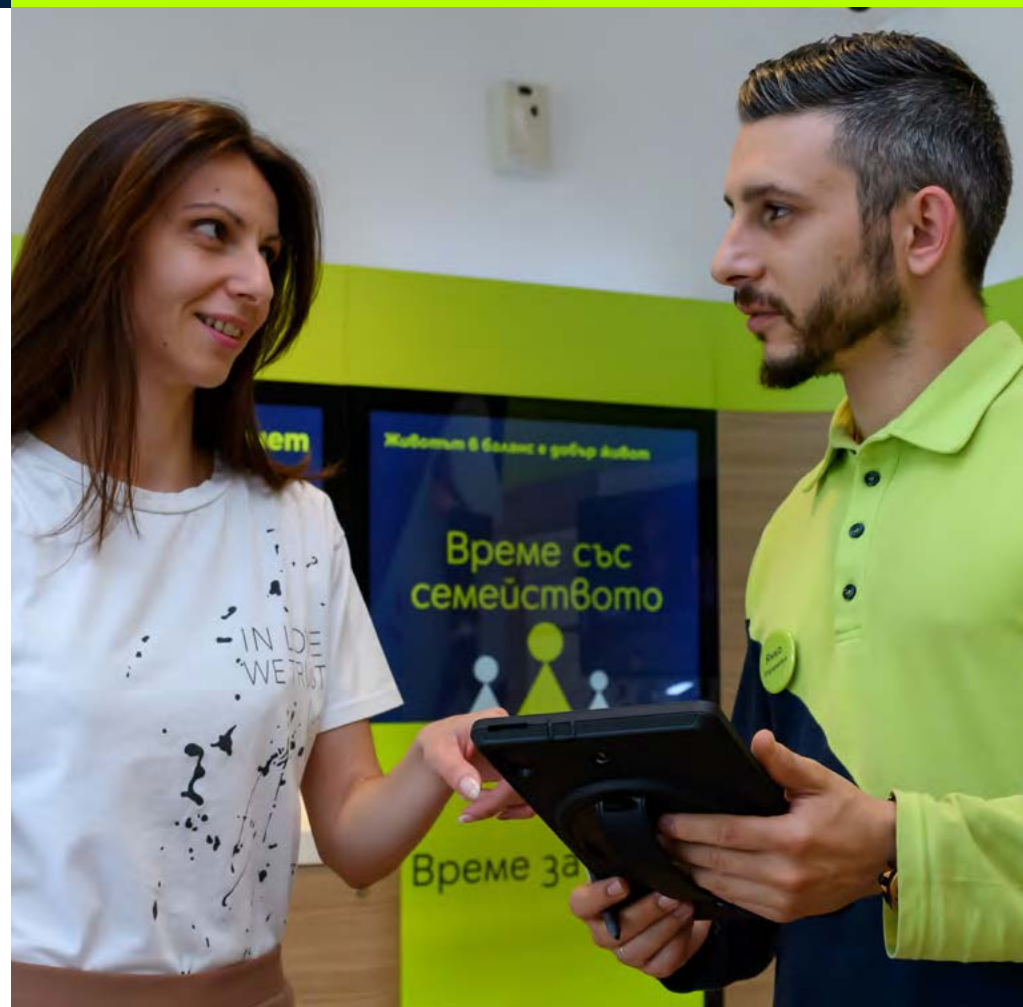
Recycle and Save program

In June 2022, Yettel launched the Recycle and Save service. The initiative went hand in hand with a communication campaign, dedicated to the importance of e-waste collection. As part of the service, we offered our customers an integrated incentive - for bringing their old devices they get up to 25% discount for purchasing selected products. Through that service, we give consumers the opportunity to handle their old devices for either recycling or repair at any of our store locations throughout the country. Every month, we offer different discounts and promotions within the campaign to further motivate consumers to apply sustainability principles in their daily lives and contribute to minimizing the impact e-waste has on the environment. In October, as part of the initiative, Yettel offered its clients a special increased discount of up to 200 BGN for a new device if they returned an old device of theirs for recycling.

The service and its campaign have become one of the most recognizable and successful in the country when it comes to reducing electronic waste. The marketing campaign - both through TV and social media advertisement, aimed to raise awareness about the service while educating our users about the importance of not simply storing our old electronics at home but returning them at a purchase of a new device, so the resources in them can be extracted and reused, which will have a positive impact on the planet.

This service and the marketing campaign are integral parts of a broader initiative of Yettel - a nation-wide e-waste recycling program. Recognizing our responsibility to reduce electronic waste and its negative impact on the environment, we started the program back in 2008. Since then, all our stores have been equipped with collection points for electronic devices, which can be used by our visitors at any point and at no cost.

Based on all those efforts, through the different streams presented, in 2022 we managed to divert 20.3 tons of e-waste from going to landfill through our repairment, refurbishment, and recycling programs.



3. Putting people at the center of everything we do

Our Yettel culture

The rebranding of our company in early 2022 was followed by a culture journey we prepared for our employees to involve them in understanding and co-creating Yettel's brand, culture, and values. Building a strong culture is only possible if the introduced changes are openly communicated and if all employees see value in that transition, therefore building strong employee relationships is an integral part of the rebranding process.

We believe that we do not just work for the brand - we are the brand, so we invited our employees to co-create it with us. Through our first Yettel Ideathon Challenge, we engaged our employees in a series of workshops 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 were 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 make an impact by bringing their best selves to work. Within four weeks all teams worked on their conceptual ideas, which were then presented to the executive leadership team. Four winning ideas have been nominated - making our working environment even greener by bringing nature to the office space; establishment of clubs where employees can gather based on interests; peer-to-peer awarding system recognising colleagues that support cross-functional projects; and a mentorship program to empower Yettel's employees. Two of those initiatives - Yettel Jungle from the category 'In Balance with Nature' and Yettel Club from the category 'In Balance with Life', have already been brought to life, while the other two are currently being worked on.



Yettel Jungle

Yettel Jungle was one of the initiatives that were born during the Yettel Ideathon Challenge, inspired by the idea of one of the teams to grow our business while guaranteeing that we act in balance with nature.

We spend a significant amount of our time in the office which is why we consider it highly important to create a cozy and inspiring working space that our employees truly enjoy. With our initiative Yettel Jungle we brought a little piece of nature to our office to make it a greener and healthier environment. Over 300 new plants were placed all around our headquarters to utilize the widely known benefits of green workspaces - increased creativity, improved concentration and focus, and better productivity.

In addition to that, over 60 employees took part in the Mini Jungle workshop where they learned about the cultivation of cacti, which they applied in practice later, contributing to the creation of our mini jungle in the office.



Yettel Clubs

Yettel Clubs is another exciting new initiative, born during the Yettel Ideathon Challenge, which promotes the creation of interest clubs - close-knit communities based on common interests and hobbies, which our employees can join. The initiative makes it possible to discover a new passion, share a long-standing hobby with colleagues, or build new friendships.

Yettel Clubs kicked-off with 4 clubs, each of them being managed by a chairman who is responsible for the organization of activities and the budget. At the discretion of the members and the chairman, each club may hold regular meetings, both during and after business hours.

Currently, there is a **hiking club** for people who share a common passion for the mountains and nature; a **photography club** for people who love capturing unique moments; a **culinary club** for people who enjoy creating masterpieces out of food; and a **board games club** for the competitive ones among us.

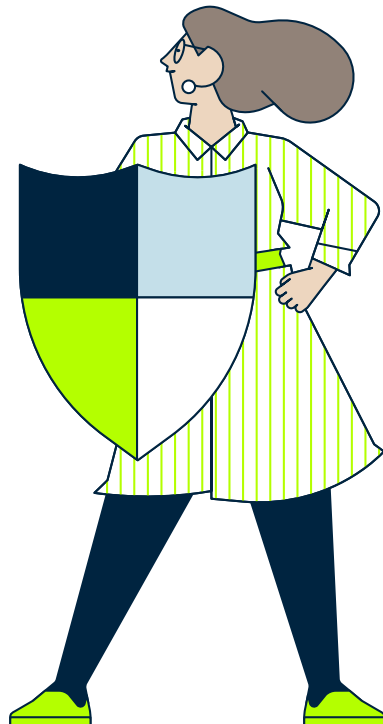


3.1 Diversity and inclusion

Material topics: Diversity & Inclusion & Human Rights Protection

The topic of human rights protection in the business context has been gradually increasing in importance. From the increased need for mechanisms for the inclusion of underrepresented social groups to gender diversity, one is clear - companies' role goes way beyond simply providing employment but also focuses on valuing the employees' skills and uniqueness and keeping them motivated.

"With us you can be yourself and make an impact" - this is the promise we give to our current and future employees, and we try to live by it every single day. We want to ensure that our employees feel respected regardless of gender, age, disability, religion, cultural background, language, and more. That is why we strive to break down barriers to entry for individuals of any background and create an inclusive working environment that stimulates professional growth for all.



Our actions for an inclusive working environment

Side by Side Program

"Side by Side" is a program that reflects our determination to create an inclusive and supporting working environment, aligned with our employee promise - "With us you can be yourself and make an impact". The program aims to support the professional development and social integration of people with disabilities for a period of two years. It focuses on developing their skills, both technical and soft, through a specially designed induction program, along with psychological support and mentoring. "JAMBA" - career for all, has been our partner in the program, supporting us in the recruitment process, as well as popularizing the opportunities among the relevant audience that they work closely with.

In 2022, five people started their corporate career in four different teams across the company. Since the beginning of the program, dating back to 2015, we already have onboarded 34 participants in the program, 8 of whom have continued their career within the organization after the period of the mentioned two years.

34 participants

Since the beginning of the program

8 participants

Have continued their career within the organization

The participants work closely with colleagues from different teams, and they get to learn and develop new skills, while working on real-life projects with a clear aim - to increase their competitiveness on the job market. Throughout their whole journey, they are supported by our mentors who help them develop further their potential, as well as their professional and interpersonal skills. Additionally, our company corporate psychologist supports the program's journey with three specially designed sessions - a workshop for the hiring managers, helping them in the assessment of the future participants; a session designed for the teammates of the future Side by Side program participants; and a special onboarding session with all program participants that focus on their self-awareness.

For the second year in a row, the program also allows fully remote placement. Two of the new participants for this year's edition work remotely, but all five had the chance to participate on-site for their first day of work at our headquarters. They were welcomed by their future teams and management representatives at a special event that officially marked the start of their two-year placement with us. During a one-day induction training, they had the chance to learn about Yettel and the company structure, got to know our services and products, and learned details about the responsibilities of their new positions.

Side by Side is amongst the programs that we are highly proud of as it not only presents a valuable employment opportunity to the participants but also helps all Yettel employees be more aware of disability inclusion in the workplace, and, in this way, yet again demonstrates the importance that the topics of diversity and inclusion have as part of our People strategy.



Hub by Yettel

We believe that it is important to invest early on in equipping the next generation with relevant skills and preparing them for the world of work. Therefore, we created the program Hub by Yettel - a program that lasts 12 months and aims to help participants develop key business and personal skills by providing them with the opportunity to engage in real business projects.

62 interns

Since the beginning of the program

83% of them

Have successfully transferred into permanent positions

Ten young talents were given the opportunity to kick-start their careers with the seventh edition of Yettel's internship program. The young people work with their assigned mentors, who guide them in their daily responsibilities. If there is an open suitable position, they have a chance to stay permanently with the company. The program has been running for the last six years now. Since its beginning, we have had a total of 52 interns, while in 2022, 10 new interns joined our program. A whole 83% of them have successfully transferred from internships into permanent positions at Yettel.

Seeing the number of candidacies double since last year (a total of 435) shows the success of the program and that, when possible, young people are eager to take advantage of such opportunities.





Second Shift

Second Shift is another initiative of Yettel dedicated to our children and their career orientation. The program is specifically designed for teenagers between the ages of 15 and 19, who are children of or close relatives of Yettel employees, and offers them the opportunity to gain practical knowledge in a field of their choice. Each participant works with a mentor who introduces them to the working environment and business practices.

50 youngsters

Were part of the program in 2022

31 youngsters

Were part of the program in 2021

In 2022, 50 youngsters became part of the program and have gained experience with teams from our central office and warehouse, while 11 of these 50 young people practiced their trade skills in our store network. Every day, for 4 hours, the young enthusiasts have been working on the tasks given to them by their mentors. During the induction day, the youngsters went through an initial health and safety briefing and learning about personal data and information security.

Having received the prestigious Career Show Awards 2022 for the second year in a row makes us proud of the achievements we have made and confirms our efforts in putting people at the center of everything that we do. Yettel Bulgaria won second place in the the Best Employer category in the communications sector and second place in the Talent Acquisition Strategy category with its initiatives Hub by Yettel and Second Shift.



Age Break-Down per Function (2022)

Based on headcount	Leadership team	Management	Non-management	Grand total
Client-facing	0.05%	1.67%	68.70%	70.42%
<30	0.00%	0.00%	34.25%	34.25%
30-50	0.05%	1.62%	33.61%	35.28%
50+	0.00%	0.05%	0.84%	0.88%
Others	1.53%	3.25%	19.90%	24.67%
<30	0.00%	0.10%	4.82%	4.91%
30-50	1.43%	3.00%	14.45%	18.87%
50+	0.10%	0.15%	0.64%	0.88%
Technology	0.35%	0.30%	4.28%	4.91%
<30	0.00%	0.00%	1.18%	1.18%
30-50	0.25%	0.25%	2.75%	3.24%
50+	0.10%	0.05%	0.34%	0.49%
Grand total	1.92%	5.21%	92.87%	100%

Gender diversity

Gender diversity in the workplace is something that the tech and telecommunications industries have been working towards for a long time now, and being part of that sector, we at Yettel also feel responsible to proactively engage on the topic. We see a huge potential for the acceleration of the digital economy coming from working with a diverse talent pool. Gender diversity encourages divergent ways of thinking and the development of new ideas, which ultimately drives better business outcomes through innovation. Therefore, we frequently analyze the gender structure of our workforce and strive to achieve balance in all aspects, such as recruitment, remuneration, promotion, or advancement.

We at Yettel take a specific approach towards gender diversity and inclusion, which is also aligned with the approach of the whole PPF Telecom Group. The Group's approach consists of the following three main pillars:

- The first pillar focuses on establishing a group-wide DEI Policy (Diversity, Equality, and Inclusion), which will help all business units align their people-related policies to the same common principles.

- The second main block focuses on combating bias at the workspace. As part of the efforts under this pillar, by the end of 2023, we have planned to launch unconscious bias training for all business units, starting from the highest levels in the organization.

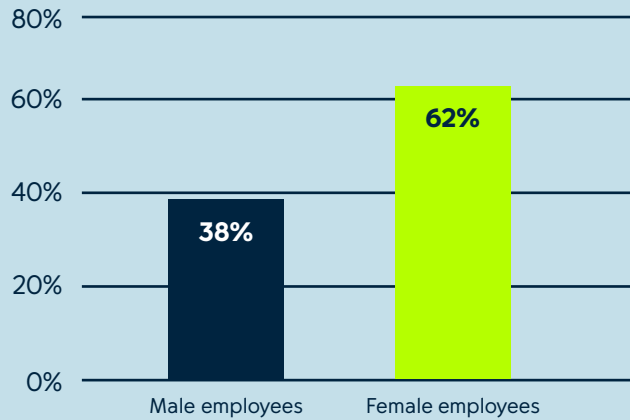
- Talent development programs are another main building block of our approach, that aims at identifying and developing key talent and preparing people for taking up leadership positions. Whenever necessary, mentors will be at the disposal of the defined future leaders going through the program, providing them with guidance, and helping them build a strong personal network.

Those key steps coming as part of the defined three pillars will help us identify and avoid unconscious bias and prejudice, stereotypical thinking, and favoritism both during the hiring process and during the overall employee journey.

At a local level, we regularly conduct analysis of the structure of Yettel's employee population, including gender overview by business area and type of position (managerial vs. non-managerial).

Our 2022 analysis results are as follows:

Proportion of all male and female employees (2022)



Number and percentage of men and women across all areas (2022)

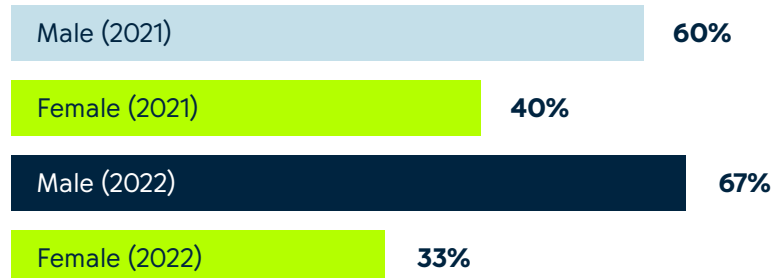
Based on Full-Time Equivalent ³	Female	Male	Grand Total
Client-facing (all roles directly dealing with customers, e.g. shop staff, call centre, Business Sales)	798.5 (44%)	433 (24%)	1,231.5 (68%)
Other (all the rest, such as Finance, HR, Marketing, Legal, etc)	281.25 (16%)	190 (11%)	471.25 (26%)
Technology (all roles in Technical area)	32 (2%)	66 (4%)	98 (5%)
Grand Total	1,111.75 (62%)	689 (38%)	1,800.75 (100%)

*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.

Proportion of men and women in management roles (leaders on levels CEO -1 and CEO -2)



Proportion of men and women in the Executive Leadership Team (CEO reports, chief officers)



In 2022, the size of the Executive Leadership Team grew by one male member.

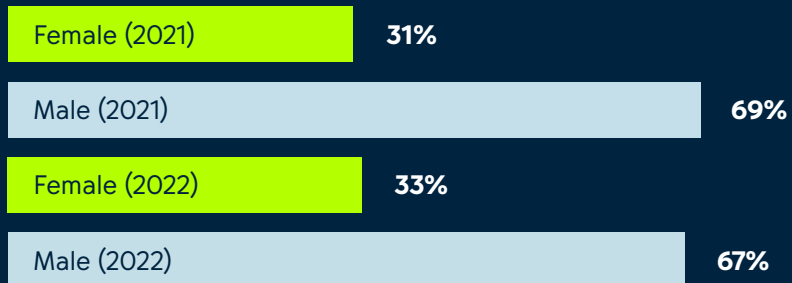
Looking at our gender structure analysis, we have highlighted the area where we need to focus, namely the underrepresentation of women in technology roles. Our commitment to diversifying our workforce is expressed in the target we set to ourselves within our Sustainability Strategy 2028:

OUR GOAL: To reach 40% female representation in technology roles by 2028

In order to reach this goal, we focus our efforts on long-term actions, which include establishing partnerships with different educational institutions to help us reach potential female talent in the tech field. The main focus areas are STEM (science, technology, engineering, and mathematics) schools and university faculties, where we aim to position Yettel's experience and best practices on those topics. In 2023 we signed a memorandum with Technical University of Sofia, Faculty of Telecommunications, which allows us to collaborate closely with the educational institution. For the first year, Yettel supported two main initiatives of the Technology School Electronic Systems (TUES) by sponsoring hackathons and providing mentoring to young professionals.

We are proud of the progress we have made on the topic, which is a result of our collective efforts and aspirations to be both a responsible company and an outstanding employer.

Proportion of male and female employees in technology roles 2021/2022



Speaking about the governance of the diversity and inclusion topic, our Code of Ethics prohibits discrimination, while our Local Ethics and Compliance Policy contains a grievance mechanism through which all discrimination cases can be reported.

We have 0 cases of discrimination for the reporting period of 2022.

Remuneration and commitment to equal pay

Equal pay is another aspect that we pay special attention to as we see it as an important tool that we can leverage to achieve our ambitions regarding equality and inclusion. We develop our remuneration policies based on rigorous analysis in accordance with internationally established methodologies to close any existing gender wage gap in our organization.

We support the notion that every employee should be remunerated solely for their contribution to the business objectives regardless of their gender. By treating all our employees equally, our remuneration policy helps us create a feeling of fairness amongst our people which in turn motivates them to achieve high-level performance while pursuing the common strategic goals of the organization.

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 based on whether mutually agreed targets have been achieved. A performance management system governs this process.



The remuneration system, applicable to all employees in the company, including senior management, has three main pillars:

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 the workplace and job position, as well as additional terms and conditions, agreed on in the personal labor contract between the two parties.

Additional remuneration

Obligatorily paid according to the Labor Code, secondary legislation, statutory instruments, Internal Rules of Structure and Organization of Remuneration, or other 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 one-year length of service, irrespective of the position.

Additionally, we offer bonus schemes, which aim to effectively motivate and retain valued employees who provide exemplary performance, put in extra effort, and utilize their full potential and abilities for achieving outstanding results in a particular benefit to the department, division, and the company.

Other remunerations

Determined as per normative deeds' clauses or an individual labor contract, which are not envisaged as part of the basic salary and additional remuneration:

- For performed overtime work: 50% increase of the payment for overtime work on weekdays; 75% increase for work on weekends; 100% increase for work on official holidays. The increase is calculated from the remuneration, determined in the personal labor contract.
- For every hour of night work or a part of it between 22:00h and 06:00h, employees are paid additional remuneration.
- For daytime working hours, 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 they are 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.

As part of the remuneration cycle, we conduct frequent performance reviews with our employees. In 2022, in line with our usual practice, **100% of our employees received at least one performance review**. However, for employees from certain departments such as Sales, reviews are issued more frequently. Our client-facing staff, for instance, have a review once every month.



Additional benefits

We know that recognition cannot always be measured in numbers. This is why offering a package of additional benefits to our employees is our way of showing our appreciation. With this package, we want to help our employees maintain a good state of physical and mental well-being. Apart from the widely used benefits, such as food vouchers and additional health insurance, we provide our employees with the opportunity to reach out to a psychologist because we consider mental health and well-being as an issue of utmost importance. Amongst others, the following benefits are included in the package we offer:



Standard retirement benefit plans as per the Bulgarian Labor 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 programs



Sport cards at discounted prices



Discounts from retailers and special conditions from banks and insurance companies

3.2 Employment and job retention

Material topic: Employment & skills development

The needs and expectations of the next generation of employees are quickly evolving, and a company should always be alert to the new trends and proactively seek to understand those expectations. The dynamic and competitive job market nowadays shapes people in a way that they highly value a good working environment that offers them the chance to acquire new skills and knowledge, which helps them remain competitive and keep up with the pace of the job market. Additionally, employees highly appreciate a job that gives them a feeling of fulfillment and an opportunity to grow personally.

We at Yettel know that if we want to attract and retain the best talent, we need to ensure a strong culture and a supporting working environment for our employees while building a relationship based on trust and transparency. We take our commitment to our employees very seriously and are striving to continuously improve ourselves as an employer by carefully listening to their needs, requests, and the feedback we receive. We understand that our success and position as a leader in the telecommunications sector, which is highly knowledge intensive, depends heavily on our employees. We believe that investing in the skills development of our people is crucial if we want to remain on the front line in terms of digital innovation and finding new technological solutions for the Bulgarian market. This is why the topic of Employment and Skills development is paramount for Yettel Bulgaria.



Local training strategy

Our Local training strategy guides our efforts to provide learning and development opportunities.

A **training needs analysis** is conducted once every three years on a company level by our Talent Development Department, the Human Resources Business Partners, and business leaders, where the priorities for the corporate training agenda are being set. The training needs are aligned with the company's strategic objectives for business development, and cover the areas of talent retention, existing capabilities, upskilling, as well as building future knowledge and skills for employees. We collect feedback from our employees about the quality, relevance, and perceived added value of our training programs which helps us assess their effectiveness.

Every new employee at Yettel goes through an **onboarding process**, which includes general training on our values and principles, and mandatory policies, as well as information about the function of each department and how they interact with each other. Specific monthly training is designed for our client-facing retail staff where they get familiarized with our products and services and the business operations at Yettel and are also taught about data privacy and confidentiality. Furthermore, we have added to the onboarding training a whole module devoted to understanding our clients, as part of which our employees spend at least one day at a Yettel store.

Newly appointed managers go through a similar process, however, they also attend several trainings for people management, emotional intelligence, and leadership skills, as well as unconscious bias training. This helps us ensure that the managers of the company are well aware of the power of bias and stereotyping and are considering that in the decision-making process, such as the recruitment of new job candidates.

Additionally, as part of our efforts in terms of training and development, we have provided all our employees with **LinkedIn Learning** accounts where they have unlimited access to diverse learning resources.

EduGrants

The Educational Grants program is one of the main programs for employee development at Yettel, whose purpose is to support the individual learning and development needs of our employees. The program is a great way for employees to take advantage of existing external programs for higher qualifications with the financial support of the company.

Amongst others, our employees can apply for an Executive MBA, mini-MBA, chartered qualifications, or other qualification training in highly renowned educational institutions.

The personal request of an employee is discussed with their manager to identify whether the chosen program fits the person's and the department's needs as well as the overall business objectives.

In 2022, there were four Grant categories for which our employees could apply:



Executive MBA

1 Grant at up to BGN 20,000

- MBA programs at partner universities such as AUBG, Cotrugli, and Sheffield
- Other universities could also be in scope
- Program duration: 12+ months



Mini-MBA

3-5 Grants at up to BGN 5,000

- Mini-MBAs that focus on parts of EMBA and could give credits for MBAs
- Programs at partner universities such as AUBG, Cotrugli, Sheffield and also London School of Business and Finance, the Business Institute
- Program duration can vary from a few days to a few months



Chartered Qualification

3-5 Grants at up to BGN 10,000

- Professional qualifications such as ACCA, CISSP, ISC, CIPD, NSE, MCE, CompTIA, PCM, CIM
- Program duration can vary from a few days to a few months



Expert Qualification

5-7 Grants at up to BGN 3,000

- Any course that further develops existing skills or allows gaining new skills in a specific domain
- Courses that are needed to support employees' everyday duties and refer to their upskilling or are in line with their personal career plan
- Duration can vary from a few hours to a few months

In 2022, 18 people benefitted from our EduGrant program, with the number increasing steadily over the last few years.

2019	2020	2021	2022
11 participants	12 participants	15 participants	18 participants

Project Management Academy

Beside the general training provided to all Yettel employees, based on the company's strategic objectives and defined training priorities, we identified a need to upskill our workforce in project management. To address those needs, we created the Project Management Academy with the goal of helping colleagues who have worked on small or medium-sized projects and build up their project management skills to be able to participate in larger projects. The Academy is a 6-module program for Project Management, through which the participants are able to extend their knowledge and learn about different agile approaches towards telecommunication projects, how to perform analysis and evaluation of business cases, and what are the main methods for resolving conflicts that typically arise while managing the project team.

In 2022, **57 colleagues successfully completed the Project Management Academy** and were awarded training completion certificates. The certificates are recognized by the international PM institute and employees can take their PMP or ACP-Agile exams without having to undertake other externally certified training courses required for prior exam admission validation. The graduates are representatives from various departments such as Finance, Human Resources, Technology, Sales, and others.

The Academy has been recognized as highly successful by all participants and their direct supervisors. Therefore we plan to continue this initiative in the future.



Considering all training programs throughout 2022, we invested more than BGN 248,000 in learning and development of our employees

Total training hours in 2022

Total training hours
59,802.28 h

Average training hours* in 2022

Average training hours per employee	Average training hours per employee - male	Average training hours per employee - female
33.20 h	36.89 h	30.91 h

* Hours per employee are calculated based on FTE.



3.3 Occupational Health and Safety

Material topic: Occupational health and safety

We place high emphasis on always keeping our employees safe and healthy and we try to promote a behavior compliant with the safety requirements in the workplace.

As a result of our commitment to take care of our employees, we introduced our Occupational Health and Safety Management System, which came into force in 2017 as a permanent measure. Our Health and Safety Policy defines the health and safety-related procedures for identifying hazards, assessing risks, and preventing accidents and occupational diseases. Our Occupational Health and Safety Management System, consisting of various manuals, measures, and programs, manages these and applies to all our employees.

The system complies with the requirements of **ISO 45001:2018**. It encompasses various processes related to telecommunication products and services, customer service, administrative activities, and our shops while identifying external and internal factors that may impact target achievement and the performance of the OHS Management System.

In accordance with our safety standards, we regularly assess hazards, conduct risk assessments, and implement necessary measures. We also consider risks and opportunities for the OHS Management System regarding the organizational context and interested parties, as well as legal or other requirements.

The occupational health services we provide, which consist of support and consultations on healthy and safe working conditions, serve the prevention of injuries and illnesses among our employees. Furthermore, the services facilitate training on health and safety rules and implement health promotion programs, addressing risk factors, lifestyle, employability, and stress management. Periodic medical checks are also organized to focus on disease prevention.

The Management and the OHS team closely monitor and approve all processes, procedures, and projects related to occupational health and safety. Health and safety topics are regularly discussed in meetings involving health and safety committees and groups comprising employee and employer representatives. We have established accessible channels for reporting work-related risks and situations, suggesting improvements, and providing feedback. This fosters a culture of awareness and adherence to safety and health rules within the organization.

We also have a comprehensive training system for both company employees and subcontractors, which follows a detailed local training manual and instructions. We have established a clear methodology to ensure timely implementation of the required trainings mandated by local laws and included in our Health and Safety Program.

Work-related Injuries and Ill-health

Indicator	Number	Comment
Number of fatalities	0	-
Number of injuries	1	Accident during a business trip
Total days lost due to injuries	35	Related to the 1 injury
Total days of sick leave	15,717	Days of sick leave compared to 416,103 workdays in total for the year



Employee well-being

We at Yettel consider psychological well-being to be just as important as physical health. We proactively seek to promote the importance of mental health and to provide support to our employees in the best possible ways. We aim to improve the health and well-being of the employees through a variety of initiatives, part of a broad well-being program. The program includes health education sessions and activities that support positive lifestyle change, thus enhancing our employees' motivation and improving their performance.

We have a Balance Crew formed of employees who voluntarily took over the task of creating and organizing such initiatives. We have also introduced a benefits program that covers, but is not limited to, topics such as the wellness of our employees, both physical and mental. Amongst others, the workshops and seminars organize, also focus on additional live-relevant skills such as financial literacy. Our employees could reach out to a psychologist at any time because we consider mental health a topic of utmost importance.

In 2022, we introduced a different initiative for each month including info-sessions, seminars, sports events, etc., targeting a better well-being of our employees.

Besides those initiatives, we regularly organize workouts and massages in the office, and a monthly initiative for non-work-related gatherings with colleagues.



January	February	March
<ul style="list-style-type: none"> • What to expect on the financial markets 2022-2025 	<ul style="list-style-type: none"> • How to cope with the uncertainties of our time? • Harmony in the family 	<ul style="list-style-type: none"> • The Post-COVID syndrome • General macroeconomic framework • Financial planning
April	May	June
<ul style="list-style-type: none"> • Safety in the mountain • Electrical safety at home • Burnout prevention • Skin damage due to prolonged sun exposure • Cardiovascular diseases • Correct posture and office gymnastics • Male health and prevention • Female health and prevention • #BalancedBody 	<ul style="list-style-type: none"> • Negotiations and cultural differences • 10,000 steps challenge • RUN2GETHER initiative 	<ul style="list-style-type: none"> • Dangers on the roads in Bulgaria and how to prepare for them • Personal finances for beginners • The rehab method - what is upright posture and why is it important to our quality of life • Vitosha mountain hike • Charity football tournament
July	August	September
<ul style="list-style-type: none"> • Generational shifts and challenges in the business environment 	<ul style="list-style-type: none"> • Workshop on first aid • Interactive lecture series on stroke prevention • Information on the development of COVID-19 and Monkeypox 	<ul style="list-style-type: none"> • Who goes to school - kids or parents? • How to manage our finances in times of growing inflation? • Tennis tournament
October	November	December
<ul style="list-style-type: none"> • How to select the right credit product? • Wizz Air Sofia Marathon 	<ul style="list-style-type: none"> • Online seminar on the topic "Men and Well-being" 	<ul style="list-style-type: none"> • Fruit and tea recharging regimen

10,000 Steps Initiative

The benefits of regular movement during the day, or even just getting up and stretching, are undoubted. Therefore, our May 2022 initiative aimed at encouraging our employees to create healthy habits by challenging them to walk 10,000 steps per day. Over 160 employees gathered 42 teams to participate in the challenge. 34 teams managed to fulfill the challenge. This initiative is one of the most beloved challenges amongst our employees which is why it has become a regular activity that we conduct annually.



Re:Join Program

To support the employees who are going on or returning from an extended leave from work, our ESG Crew and our Balance Crew joined forces and prepared valuable resources for them. Employees going on a parental leave can also take advantage of those resources that aim to support them while going through the beautiful but challenging process of becoming parents.

We created an internal page - a one-stop-shop, dedicated to those colleagues who are about to go on or are returning from a long leave, where they can get all the relevant information regarding their preparation for the time of their absence as well as about the steps they need to take before and after the leave. Further information specifically for managers and employee buddies is also available.

In addition to that, a webinar covering extensive information on the topic of next steps before and after long absences was held.



3.4 Mobile telecommunication technologies and public health

Material topic: Product and service affordability & client responsibility

We take the health and safety of our customers very seriously and are always cautious of the potential impact our products and services might have on them. This is why we ensure that all our operations are safe and in compliance with the relevant EU and national health and safety regulations.

Given the nature of our products and services, one of the main concerns regarding the health and safety of our customers, often addressed by the public, are the electromagnetic fields, which are being transmitted and received by mobile telecommunication technologies. Results from studies show that if certain levels are not exceeded, then electromagnetic fields from mobile technology are not hazardous to human health. Therefore, we at Yettel take due care to make sure that the base stations we use and the mobile devices we sell do not exceed the levels, defined by the International Commission on Non-Ionizing Radiation Protection (ICNIRP). ICNIRP is an independent advisory body that works in collaboration with the World Health Organization (WHO).

The ICNIRP guidelines incorporate substantial safety margins to deliver protection for everyone. We fully comply with these 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).

Given the spread of misinformation about the possible health hazards of mobile devices, we address those concerns and engage in an open dialogue with the public. We communicate 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.



Our infrastructure provider CETIN ensures that its active site infrastructure is designed and built in compliance with the applicable electromagnetic fields emissions (EMF) standards and regulations, including the internationally recognized standards of the ICNIRP. The applicable local legislation requires the active telecommunication infrastructure to comply with certain requirements to be able to operate. We apply control on two different levels 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 to gain their approval of the project and go through preliminary sanitary control from the Ministry of Health, which assesses the level of compliance of the planned parameters of the base station with 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 if 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 license, Yettel has the ultimate accountability for assuring radiofrequency EMF emission compliance with international and local guidelines. The network deployment process includes an evaluation of the relevant hygienic requirements, including radiation limits, as part of the standard project documentation, and all network-related processes are subject to regular audit activities (both internal and external **ISO 14001** and **ISO 45001** compliance audits).

The mobile devices are also subject to compliance requirements 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.

Currently, we do not conduct assessments for improvement of the health and safety impacts of our products and services. However, the strong control we exert over our products and services helps us successfully mitigate any potential negative impact they might have on our customers. During 2022, not a single non-compliance with the local and EU regulations regarding our products and services has been identified.

Incidents of non-compliance concerning the health and safety impacts of products and services for the reporting period

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3.5 Charitable and social investments

Material topic: Local communities

We believe that we have a responsibility not only towards our employees and customers, but towards the broader public. Given the scale at which we operate, we realize that with the right approach, our actions can have an immensely positive impact on our local communities. We want to get our employees on board with our mission to be a socially responsible and sustainable company that is of service to others. Thus, we set ourselves the goal to engage our employees in volunteering initiatives.

OUR GOAL: To reach at least 1,000 working hours per year dedicated to community service

In line with that goal of ours, we are currently working on the development of a comprehensive volunteering program, 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.

While finalizing the program, we already conducted our first volunteering activity, that took place in May 2023. 120 volunteers in total - Yettel employees together with their family members and friends, dedicated 248 hours of volunteer work to the cause, and as a result, together we managed to plant 1200 saplings which will become the "New Forest of Sofia". This green urban space will not only improve the quality of air, but it will also have numerous health benefits to the citizens of Sofia. This initiative was a great example of the power of collective action and how together we can contribute to a better environment for us and our children.



As a company that wants to contribute to a positive change, we see charitable donations as a way to fulfill our social and ethical obligations towards our communities. We acknowledge the fact that we operate within a larger ecosystem, and we believe that through charitable causes we can ensure the sustainability of these ecosystems and the betterment of society.

Second Shift interns organized a donation campaign

One of the initiatives we organized in 2022 was a donation campaign that aimed to support refugees and asylum seekers who are in the process of their adaptation and integration in our country. Together we collected 6,520 pieces of work clothes (employee uniforms) that we no longer use, which were donated to the organization Council of Refugee Women in Bulgaria.

Four of our employees from the Second shift program have been actively involved in the organization of the campaign, having personally selected the organization and then delivered the collected clothes to them.



Yettel supports refugees from Ukraine

As one of the biggest employers in Bulgaria, we felt a great responsibility to reach out our hand to the people affected by the conflict in Ukraine and currently being in Bulgaria in a way that can truly make a positive impact in their lives - by providing them with an employment opportunity we give them a chance for a new beginning.

Thus, we offered all people affected by the conflict in Ukraine the **opportunity to apply for all available open positions** within the company. Anyone registered as a refugee in the Temporary Protection Services, who has the appropriate qualifications and experience for the relevant positions and is over 18 years of age, was eligible to apply. In this way, victims of the conflict in Ukraine could have a chance to start a real job in a technology company in the country and build a new life outside their homeland.

In addition, **our employees** stood behind our mission and **donated money** for Ukrainian refugees who arrived in Bulgaria, as well as for Ukrainians on the territory of Ukraine. Items of first necessity were donated for them, including clothes, food, children's toys, blankets, sanitary materials, etc. This initiative is another attempt of our company to support those affected by the crisis in Ukraine.

Already in the first week of the conflict, **Yettel provided free international calls** between the two countries and free roaming, including free SMS and mobile data. For another two months after that, Yettel temporarily **reduced the cost of international calls to Ukraine** significantly and provided free calls to hotlines for Ukrainian citizens. Additionally, Yettel provided **free data traffic**, giving access to the Bulgarian National portal for people affected by the war in Ukraine <https://ukraine.gov.bg/> as well as free access to the educational portal for students <https://lib.imzo.gov.ua/yelektronn-vers-pdruchnikv/>. In addition, Yettel provided **free mobile data prepaid cards** to Ukrainian refugees through the Ukrainian embassy in Sofia.

ESG awareness campaigns

Next to our direct contributions to our local communities, our efforts have been directed towards engaging the public on the topic of sustainable development and leading a more sustainable lifestyle. When it comes to sustainability, we believe that every action matters - and it all starts with a shift in the mindset. Getting to a place where we as a society live in balance with nature is only possible if we create a sense of shared responsibility. This is why we took on the role of sustainability ambassadors and set ourselves the goal of raising awareness on the topic.

OUR GOAL: Reach 2,500,000 people yearly through campaigns raising awareness on sustainability topics

In 2022, we implemented various initiatives with the aim of reaching our ambitious target.

Recycle and Save advertisement campaign

A survey conducted by Yettel in 2022 on the recycling habits of the Bulgarian population shows that 49% of the asked people are keeping their old phones at home due to lack of knowledge about how to dispose of them, while 36% of the respondents didn't even know that certain telecoms offer the service to take care of the proper disposal and recycling of your old device. Simultaneously, 73% of the respondents, who didn't previously know about the opportunity to return an old mobile phone for recycling, are showing willingness to take advantage of this service in the future. This proves that while people are willing to change their habits and recycle their old devices, there is a need to raise awareness about the existence of such services and opportunities in the first place.

49% are keeping their old phones

36% are not aware of the recycling services offered

This is why our Recycle and Save program, which aims to encourage people to properly dispose of their e-waste by offering them a discounted new device in return for their old devices, was accompanied by a broad marketing campaign. The campaign targeted precisely that need - raising awareness about the importance of proper e-waste disposal, recycling, and circular economy, while informing people about the opportunity to do that at one of our stores.

Throughout 2022, we managed to reach:

- 2,358,779* people for the period June 7, 2022 - June 30, 2022
- 2,991,500* people for the period October 3, 2022 - November 13, 2022, through TV advertising on that aspect of sustainability.

* These numbers refer to TV reach 3, which means that each viewer has seen the ad at least three times.

Future recycling intent of the population



The Green News

The Green News is one of the initiatives through which Yettel shares useful and accessible information with its users about sustainable living, with the ambition to motivate as many as possible to make small changes in their daily lives that help the planet and people.

To that end, we have joined forces with our “newsmen” - two children who were eager to help us spread our message about the importance of protecting the environment, to air a green information campaign for a cleaner environment. In the series of videos, the young “messengers” go on a mission - to teach us how to use technology in the most environmentally-friendly way. Through that series, we wanted to show that positive change is possible even with small steps in our daily lives which add up when we, as a society, join forces to achieve one common goal.

Each episode looks at different aspects of the consumption of new technologies and their footprint on the environment. In the videos, the children share facts about different issues, but also offer solutions, showing what small changes a person can make to contribute to improving the big picture. Amongst others, they address the following topics: the importance of properly disposing of unused old cables and devices, the possibilities for recycling with Yettel, and the impact of excessive phone use, cloud data storage and large e-mail attachments for the environment in terms of electricity consumption and carbon emissions.



ESG Influencers Challenge

In 2022, we also implemented a very successful influencer campaign on Instagram. Through that campaign, we gave a platform to some of the most popular influencers who shared information about recycling old devices, and how this can be done in an easy way through the e-waste collection points at our Yettel stores. Throughout the challenge, the 6 participating influencers, not only showed positive examples through recycling their old devices, but also challenged the audience to get involved.

Overall results:

As a result of our awareness campaigns, we are happy to report the following results:

- The number of devices collected when buying a new device in 2022 is 3 times more than those collected in 2021

- In the last quarter of 2022, we reported a growth of 42% compared to the previous quarter in the quantity of collected small e-waste at the designated points in our stores

Total people reached by our ESG awareness content

TV Campaign		
Period	From: June 7, 2022 To: June 30, 2022	From: October 3, 2022 To: November 13, 2022
Number of people reached	2,358,779*	2,991,500*

* These numbers refer to TV reach 3, which means that each viewer has seen the ad at least three times.



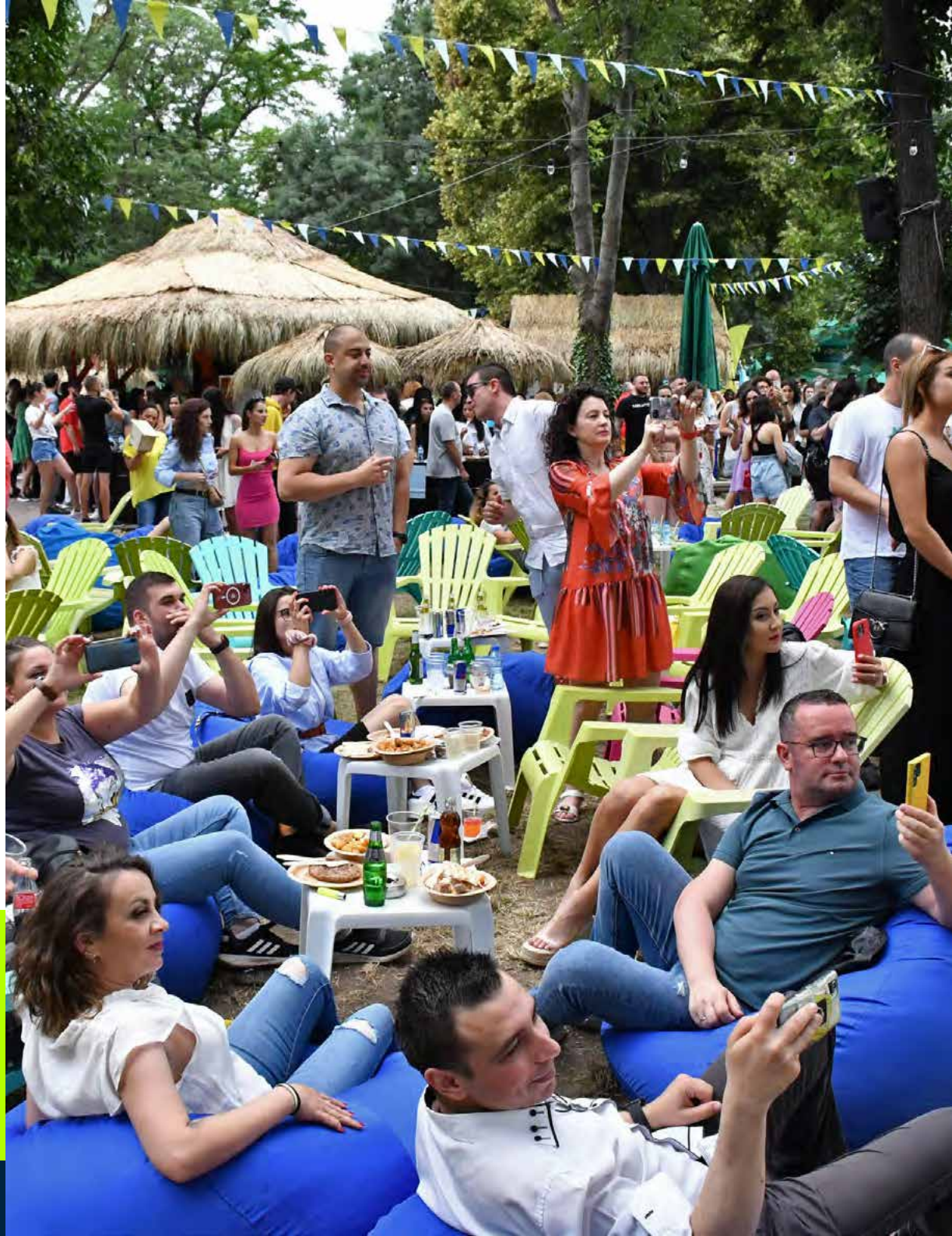
4. Accelerating technology for a sustainable future

Nowadays, technology has revolutionized almost every aspect of our lives - from shaping daily insignificant interactions to transforming whole industries, the impact of technology is undeniable.

How a company approaches technology in today's digital era will define whether it will present a competitive advantage or an enormous hurdle to the business. Adopting the right technologies can streamline operations, enhance efficiency, and improve productivity. It allows businesses to stay ahead of their competitors by offering innovative products, services, and customer experiences, and, thus, meeting the rapidly evolving customer demands and needs effectively. Additionally, the increased use of technological tools in our work, and our lives, hides risks regarding online safety and data protection as we move towards a world where the boundaries between real life and cyberspace are more and more blurred. Furthermore, access to technology and the internet is a fundamental factor in developing digital literacy amongst the population, which is another topic that is dear to us at Yettel.

Therefore, as a company that is directly impacted by, and vice versa, heavily impacting the digital transformation of our sector in our territory, we focus our efforts in four main 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 minimize harm
- Safeguarding cybersecurity, digital, and personal data



4.1 Tackling the digital divide by providing reliable connections to all

Material topic: Digital inclusion and coverage

In a world where technology is omnipresent, having access to internet and telecommunication services is of enormous importance as it connects people to each other, but also with economic opportunities and local and global markets. Without connectivity, our lives are being disrupted in a way that was unimaginable in the past. In a sense, the right to digital inclusion could be seen as a human right because how we get to enjoy our right to privacy, to education, political participation, work, accessibility, and many others is shaped by our access to the internet and our skills to make the most out of it.

Ensuring digital inclusivity in the digital age is a top priority for us at Yettel. As a telecommunications company, we feel it is our responsibility to utilize technology - the field we are experts in, to connect people, integrate societies, and support 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 supporting the EU in ensuring access to reliable internet for all European households by 2030.

OUR GOAL: 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.

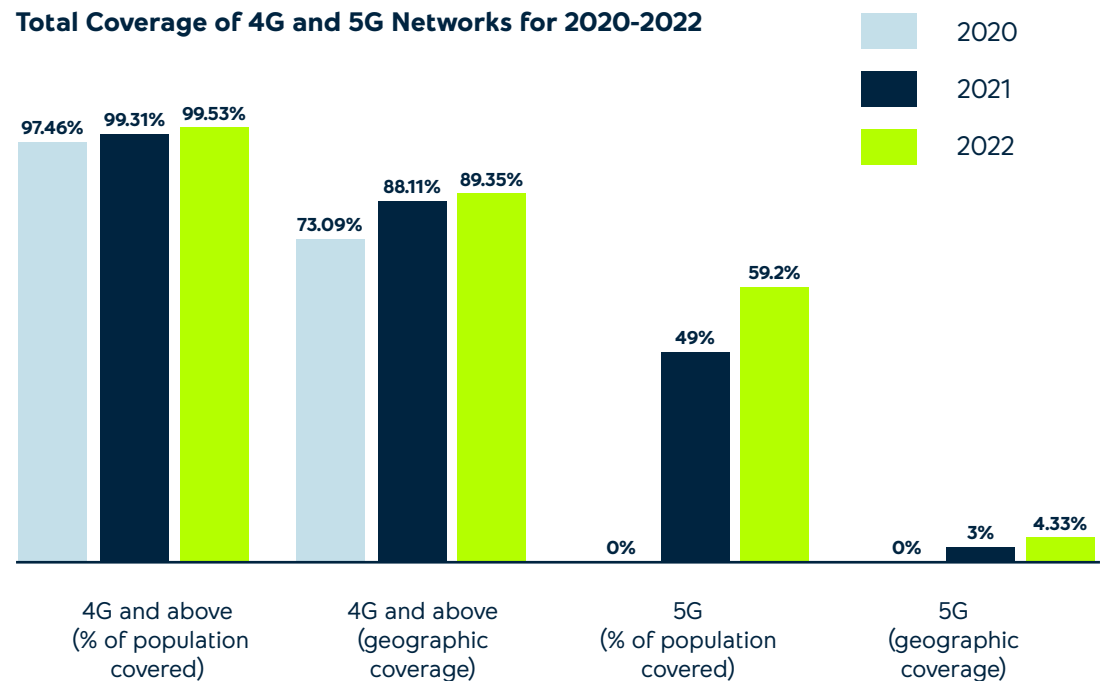
Together with our partner CETIN we design, construct, and operate reliable networks by prioritizing providing high-quality and secure solutions. We are well-equipped to facilitate the smooth and cost-effective transition to optical fiber and 5G networks, which offer advanced capabilities. Whenever high-quality optical connectivity is not feasible, we utilize the capabilities of our existing mobile networks. This approach allows us to connect as many people as possible, even in highly remote areas.

In line with our goal to make 5G connectivity available to 85% of the Bulgarian population, in the second quarter of 2021 Yettel and CETIN began the deployment of our 5G network in the country. As a result, from the total of 2750 base stations, currently more than 1,000 have 5G C-band connectivity installed, covering **nearly 60% of the population** and providing a mobile broadband service that achieves download speeds of up to 1 Gbps. The majority of our 5G stations operate on the C-band frequency, delivering mobile broadband services at a speed of up to 245 Mbps, with more sites in 2022 than we had initially planned.

To bridge the digital divide and ensure reliable connectivity, we are striving to achieve 5G coverage along major roads, in rural areas, and in deep indoor spaces. In addition to mobile broadband, our 5G network serves as the backbone for our fixed wireless access (FWA) and television services. The service provides uncapped, high-speed data access with speeds of up to 300 Mbps.

These efforts have significantly increased our coverage for both 4G and 5G networks, enabling us to make substantial progress towards our goal of connecting all Bulgarian citizens. You can explore an interactive map of our entire network coverage by [visiting the provided link](#). The below graph shows current coverage statistics for our 4G and 5G networks.

Total Coverage of 4G and 5G Networks for 2020-2022



THE BEST NETWORK

We are proud that our efforts to provide high-quality data connectivity and to constantly improve our network in order to meet the needs of our customers have been recognized internationally. In June 2023, Yettel was awarded the Best in Test certificate for the best network in Bulgaria **for the sixth consecutive time** by the German independent company umlaut.

The certificate is awarded for reaching 940 out of 1000 possible points, which is 13 points more than what we scored last year. This is the best overall rating of the three mobile operators in Bulgaria.

Umlaut uses user experience data from millions of users worldwide in addition to traditional crowdsourced benchmarking methods. Over the course of 24 weeks (from W26 2022 to W17 2023), a total of 82 million samples were collected from 24 thousand users, with 94.3% of the 'build-up area' covered in the testing area. This innovative approach allows analytics to holistically represent the collected data from network parameters.

The analyzed data for Bulgaria was collected from used services by independent end users of the mobile operators in Bulgaria. The process for evaluating and comparing networks is based on multiple factors, including the coverage, reliability, and quality of the provided mobile services.

Achieving such excellent results only motivates us to work harder and strive to provide the best service possible to as many Bulgarian citizens as possible.



4.2 Promoting digital education and awareness

Digital literacy among the young population of Bulgaria is an important topic in the context of the growing reliance on technology in education and daily life. Insufficient digital literacy levels may hinder a person's ability to fully participate in digital learning environments, leading to unequal educational opportunities, and, in the long run, limited employment prospects. Digital literacy is closely linked to digital inclusion and social mobility. However, insufficient digital literacy may make users, and especially children, more vulnerable in terms of online safety and cybersecurity risks. Additionally, through the increased use of digital technologies and participation of children in the online world nowadays, their exposure to various online threats is also higher. From identity theft and cyberbullying to phishing and scams, to inappropriate content - there are many ways in which surfing on the internet can negatively impact the children's well-being as well as their experience in the online world. Proper safety measures like parental controls and education on the topic of online risks are crucial to mitigate potential negative impacts. Therefore, we focus our efforts on promoting digital literacy and online safety through various educational campaigns and initiatives.

OUR GOAL: Engage 40,000 children on online safety and equip 10,000 people with digital skills every year



Digital Scouts - Making the Internet a safer place

To promote safe online practices, we are dedicated to educating our customers - especially the most vulnerable amongst them - the children, about potential risks and providing them with resources to enhance their digital literacy.

One of our tools to achieve that is our "Safer Internet" campaign, which addresses the need for accessible information on online risks. In 2020, we built upon the already existing offer of information and training and added educational videos specially designed for children.

In 2020, we also launched the Digital Scouts campaign - a mobile app where children learn about online dangers through interactive play. It is designed in a way to also help children develop critical thinking skills and the ability to evaluate the reliability of information. Topics covered include online bullying, password security, identity theft, phishing, and more.

Since its launch in 2020, the campaign has successfully reached **over 60,000 children**. In December 2022, we ran yet another Digital Scouts quiz initiative, which helped us inform and educate almost **4,614 children** on the topic of online safety. Framing the quiz as a game on a dedicated mobile application where the children must answer questions and navigate through online situations, we managed to engage them by providing them with a more interactive way of learning. While they seemingly compete against each other and test their digital skills and knowledge on topics such as online bullying, password security, identity theft, phishing, malware, and many others, they are actually acquiring valuable skills and knowledge on how to recognize and avoid dangerous scenarios in the digital world. Additionally, the kids also get tips about information sharing on social media and how to spot online predators, among others. An additional incentive for their participation was the announced possibility of winning a smartphone.

Given the success of the campaign, we have planned further quiz initiatives for August 2023 as we aspire to reach even more children on the topic of online safety. Additionally, we are currently working on the development of a program for digital literacy of children in schools and its first edition is expected to be held by the end of 2023.

A collaborative effort between Yettel and our long-term partner the Centre for Safe Internet was set up to continuously improve and expand our offer with information about online safety. The Centre provides us with the latest information about tendencies and trends in regard to online safety and risks, and together we find the most interactive and accessible way to share that information with the younger generation so that we can engage them on the topic as much as possible.

Спечели с Digital Scouts
**Знаеш, преди
да скролваш**



Yettel. | DIGITAL SCOUTS | safenet.bg



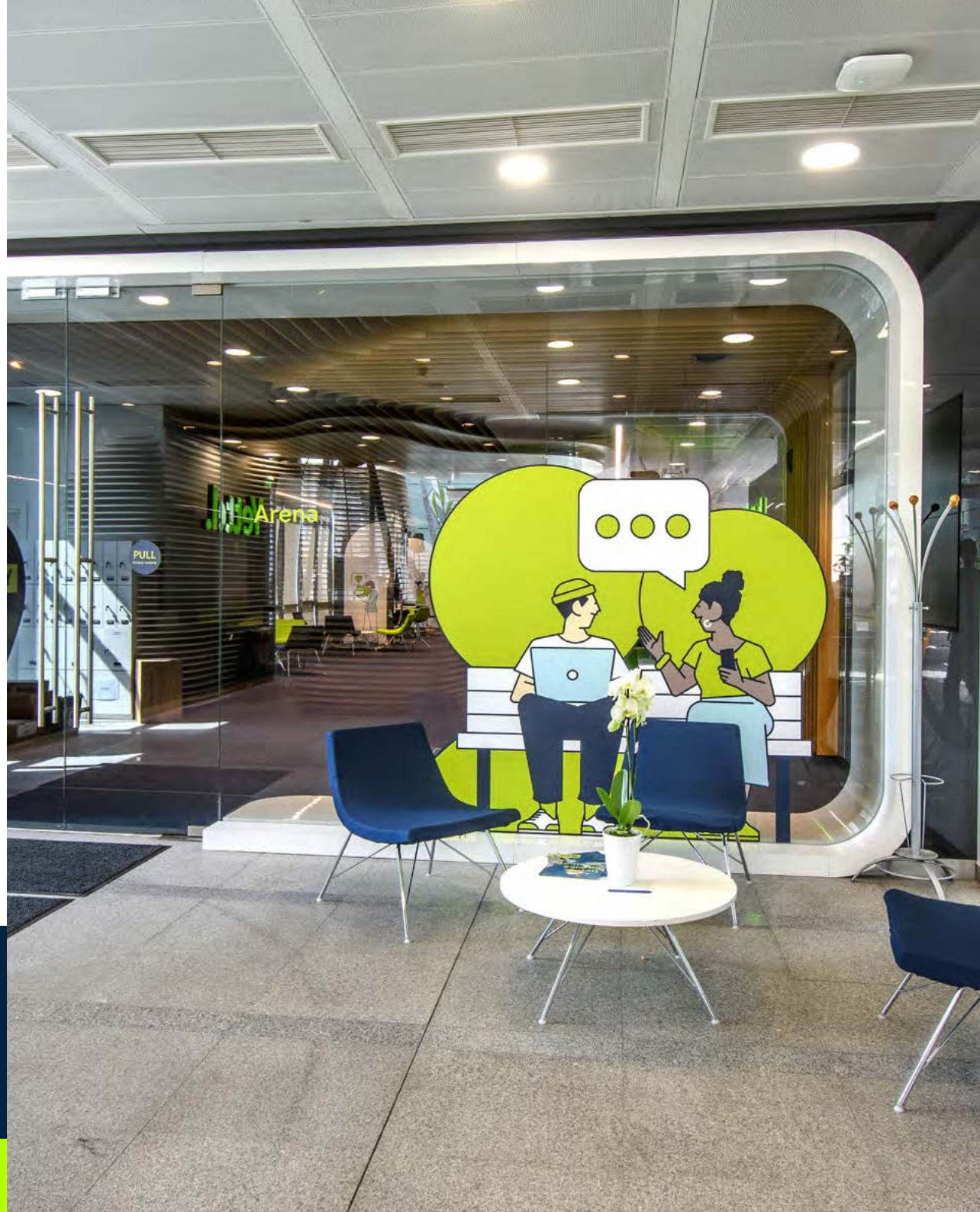
4.3 Developing smart solutions that benefit people and the environment, and minimize harm

Material topic: Innovation, research, and development

Through continuous innovation, the telecommunications sector has brought positive impact by increasing connectivity, enabling smart cities, supporting remote work, promoting sustainability, and improving accessibility. These innovations have improved the quality of life for individuals, enhanced environmental sustainability, and facilitated the transition to a more digitally connected and sustainable world. Even though so much has already been achieved in terms of technological advancements, pressing societal and environmental challenges are calling for a constant improvement and development of new and more advanced technological solutions.

As a company at the forefront of the digital age, we are tirelessly working on developing new smart solutions that benefit people and the environment. By using innovation as a driving force, we can push boundaries, leverage emerging technologies, collaborate with stakeholders, and continuously improve to create a positive impact on society and the planet.

OUR GOAL: We commit to providing 1 new solution every year, supporting businesses and society in Bulgaria towards sustainability



Our Digitalization Journey

Digital signature

As an established reliable business partner in Bulgaria and to add value to our services, we introduced the option of e-signature on tablets in our retail network. It provides our customers with the opportunity to sign Yettel documents in a simplified manner which saves significant amounts of paper.

Thanks to this new program, in 2022 we managed to save 35 tons of paper.

The e-signature carries the same legal value as a manual signature, and, in addition, it provides better security and freedom of action when signing documents with it. Completely digital, the electronic signature eliminates the need to print, collect, transport, store, and ultimately destroy paper copies of important documents. The e-signature was yet another step towards digitizing our processes, following the previously introduced Digital Office.*

Our ambition for 2023 is to further develop the e-signature solution for our customers in the business segment, by adding new capabilities for remote signing without the need of physical presence of the signing parties, which will enable faster and more efficient online contracting and document exchange.



*The Digital Office app is a digital solution that we offer to our B2B customers. Through the platform, the users can digitize the work processes of their company, making use of its multifunctionality.



Yettel App

The Yettel App is the official application of Yettel, where our customers can easily access details about their subscription plan and invoices, receive information about our services or current offers, execute online payments, and also reviewed the documents they have digitally signed.

Usage of the Yettel App (2022)

Unique annual active users	1,182,464
Total number of clients using e-billing services	1,159,102
Share of total clients using e-billing	98.69%



Digital solutions for our clients

IoT

We offer our business clients innovative, customized solutions using the vast possibilities of IoT (Internet of Things). IoT solutions help businesses adapt much more easily to the increasingly frequent changes in regulations and in the requirements of the market itself. Furthermore, they can give businesses another perspective and help them be more responsible with the limited resources we all use.

To be able to serve huge number of devices in parallel, efficiently and sustainably over time, a network, such as the IoT one, requires another type of communication channel of information transmission. Such a type is LTE-M (Long Term Evolution), also known as Cat M1, which is based on the standard 4G LTE-M technology, but its advantages are precisely in efficiency. It covers long distances and allows the connection of a huge number of devices that transfer small amounts of data over a long period of time with low energy consumption. Thus, the sustainability of this type of process is evident, especially based on the significantly longer battery life of the end device. We have been working purposefully on developing such solutions and are proud to share that we are already able to provide such services at national level and according to the customer's individual needs.

Smart Monitoring

Smart Monitoring is a service we offer to our B2B customers, which plays the role of a true partner in optimizing the costs of their business. The service offers an effective solution for remote monitoring of electricity, gas, water, heat, and pressure consumption. It helps detect leaks, thefts, and excessive consumption in time and sends a notification to the user whenever atypical consumption levels are detected, while allowing switching on and off the power supply through the personal phone or tablet. The quick detection of atypical consumption and the possibility of remote control enables immediate action and mitigation. As a result, the digital solution Smart Monitoring provides visibility about what needs to be optimized or improved, which leads to significant resource savings and cost optimization. Currently, there are already 140 endpoints installed at various facilities such as schools, manufacturing facilities, hotels, restaurants, and kindergartens.



4.4 Safeguarding cybersecurity and personal data

Material topic: Cybersecurity & data privacy

As the digital landscape continues to expand, the threats of cyberattacks to individual users are continuously growing in scale and complexity. Over time cyber attacks are becoming more and more sophisticated, making it very challenging for users to identify and protect from fraudulent attempts. Additionally, there are growing concerns related to data breaches involving personal information, exposing individuals to different risk factors. Therefore, it is of utmost importance for organizations that store large sets of personal data to implement rigorous security measures.

We at Yettel prioritize fostering a safe and secure online environment and understand our obligation towards our customers to protect their personal data, assure confidentiality and integrity, and protect the continuity of our services. Our commitment to online safety has always been at the core of our operations, and we continuously strive to set the highest standards in protecting user privacy, data security, and promoting responsible online practices.

Our compliance with the strict guidelines and leading best practices are verified by the certifications held by Yettel - our information security management system is certified as per **ISO/IEC 27001:2013**, and the IT Service management system is certified as per **ISO/IEC 20000-1:2018**.

Cybersecurity and Information Security Management System

Our Information Security Management System is in full compliance with **ISO 27002**, covering all technological domains and providing policies and technical controls accordingly. Within the scope of the system, and particularly in the local security manual, there are specific requirements for managing suppliers - organizing remote access, organizational and technical security requirements, as well as references to the company's overall supplier management policy. 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

Information Security Program

We have developed a comprehensive Information Security Program to ensure the safety and protection of our employees, customers, and stakeholders. Our program includes a robust employee awareness program that educates and trains our employees on the latest security best practices and guidelines. This program helps to build a culture of security within the company and ensures that all employees are equipped to handle the various security threats that they may face. Every three months our employees undergo cyber security training. At the end of these training sessions, the employees must complete an assessment with a threshold of 80% for successful passing.

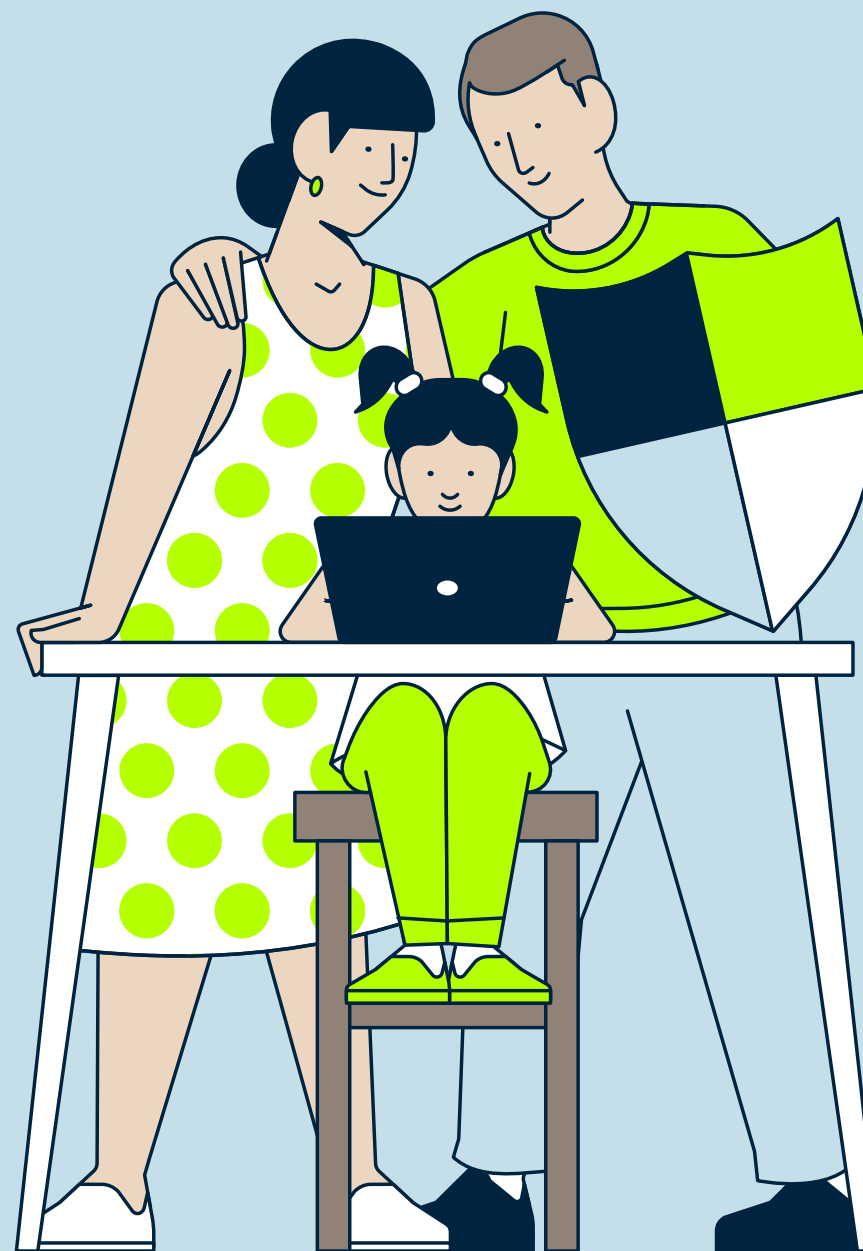
Secure 5G Network

In addition, we have dedicated funding for the secured architecture of our 5G network in accordance with the recommendations and guidelines provided by the European Network and Information Security Agency (ENISA) and the GSM Association (GSMA). This commitment to secure infrastructure will ensure that our customers have access to the most secure and reliable 5G network available.

Online protect – Security Solution for Our Customers

In order to ensure that our customers are protected against the threats of cyberattacks while surfing on the internet, Yettel offers them the service Online protect, based on their individual needs. By activating the service, the internet connection is immediately protected through the help of special filters on the Yettel network. As a result, the device is then protected against different types of threats such as viruses, Trojans, spyware, adware and unwanted programs, and harmful, compromised, or spam websites such as phishing websites or sites that may contain viruses. The service also provides management functionality of the content of the accessible websites. This enables our customers to browse the internet with peace of mind, while we take care of the protection of their personal data.

Percentage of applicable customer base using this service – 72% at the end of 2022



Data Privacy

We have put in place a Data Protection Program, which follows the principles of the Regulation (EU) 2016/679 of the European Parliament and of the Council on the protection of natural persons regarding 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 internal manuals, we address privacy considerations when handling the personal data of our customers, job applicants, employees, contractors, and visitors. These manuals cover areas such as privacy notices, consent, data subject rights, and complaint handling. To maximize data protection, we have adopted policies governing data processing and implemented encryption, anonymization, and pseudonymization for both data in transit and at rest. For inquiries, clients and individuals can contact our Customer Service Centre, where they can reach our Data Protection Officer for timely assistance. Prior to changes in any data processing activities, we assess the necessity for that change, which helps us minimize the collection of excessive data, prevent the expansion of data usage beyond its intended purpose, and avoid processing inaccurate, erroneous, or outdated information.

We follow strict documentation principles of our data processing operations using logs, documentation of decision-making processes, various assessments, and others, which ensures easy and reliable traceability of operations.

As a company that provides publicly available electronic communication services, Yettel Bulgaria is subject to strict data retention laws which apply in addition to GDPR. We follow a strict data retention schedule that specifies the useful life of the processed personal data. After the expiry of the applicable retention period, personal data is either destroyed or made anonymous.

In April 2022, our Privacy Information Management System was successfully certified under **ISO/IEC 27701:2019**.

Management of customer privacy and data protection

In 2022 Yettel Bulgaria continued its path of digitalization and successfully introduced digital signature of most of the documents generated in retail. As a result, more than 90% of the documents in retail are now signed electronically, which, in addition to the positive environmental impact, reduces the overall risk of mishandling personal data.

In April 2022 we obtained certification under **ISO/IEC 27701** which provides guidance for establishing, implementing, maintaining, and continually improving a company's Privacy Information System.

As a result of the **supplier and partner privacy assessment process** introduced in 2021, during 2022 we assessed more than 60 vendors and partners with whom we intended to share personal data of our customers and employees. The process is now fully embedded in our sourcing practices and shows positive impact in the supply chain, as some of the vendors improved their data protection policies and routines as a result of our findings.

60 vendors and partners assessed on the topic of privacy and data protection

We have a mechanism in place that allows for the structured reporting of data protection concerns. Any data protection related concerns or complaints are being reported to the Data Protection Team and Data Protection Officer who reports, in turn, to Yettel Bulgaria's CCAO. The CCAO brings these issues up to the company's CEO as needed.

In 2022, a total of 196 substantiated complaints concerning breaches of customer privacy have been identified. One of those complaints was filed by regulatory bodies, while the rest 195 originated from outside parties.

2021 Substantiated Complaints	153
2022 Substantiated Complaints	196

We take all privacy-related complaints very seriously and are constantly working to improve ourselves in areas where improvement is due. Numerous technical and organizational measures are constantly being considered, assessed, and introduced (following a risk-based approach) in order to prevent and mitigate breaches of customer privacy. Notable examples of such measures include stricter identity proofing across the sales, care, and digital channels; ad-hoc notifications for various events (such as signing or renewal of a contract or taking out a lease for a device); additional authentication for sensitive transactions; severe disciplinary actions against offending employees; as well as continuing monitoring of the various threats and risks to customer privacy.

With a view to further increasing awareness on data protection matters, in late 2022 we launched a new privacy e-learning program, which incorporates general training sessions available for all employees, as well as role-based modules that are to be completed by specific functions in the company (for instance HR and marketing). Additionally, all our employees have access to online resources and guidelines on handling personal data.

Two minor confidentiality personal data breaches were discovered in 2022. Both were assessed as "low" risk, according to the methodology of the Bulgarian Commission for Personal Data Protection ("CPDP"), and were duly notified to the latter within the statutory deadline. CPDP reviewed the notifications, confirmed our assessments and closed the cases without taking further action.



5. Acting with integrity and transparency

Promoting sustainability as an integral part of Yettel's strategy

We believe that the integration of our sustainability strategy with our business objectives and long-term growth is only possible if our employees join us in our ESG efforts. Therefore, we realize that there is a need to educate and bring on board everybody in the company as well as our key stakeholders to engage them on our sustainability journey.

OUR GOALS:

Train 100% of senior management & at least 50% of employees on sustainability by the end of 2023.

Develop a supplier engagement plan on sustainability by the end of 2024.

ESG Trainings

Besides our internal training programs aiming to support our employees in their own personal development journey, our efforts were directed towards educating our staff on the ESG topic and its relevance for Yettel Bulgaria.

The topic of sustainability has become an integral part of every new employee's first weeks on the job. So far, 12 training sessions have been held for new employees on the subject. In addition to that, we held a special information session for all employees from the Call center and a special online training for our retail employees, working at the Yettel stores.

In 2022 we have begun scheduling the program for the upcoming year. This program aims to build up on our capacity to manage sustainability strategy and to further align it with our business objectives.

As part of this program, in 2023 we held an ESG training specifically designed for our management team. The training consisted of four sessions, covering topics such as **ESG strategy**, **decarbonization** and **climate change**, and **social due diligence**, amongst others. The sessions were followed by a game which aimed at adding an interactive element.



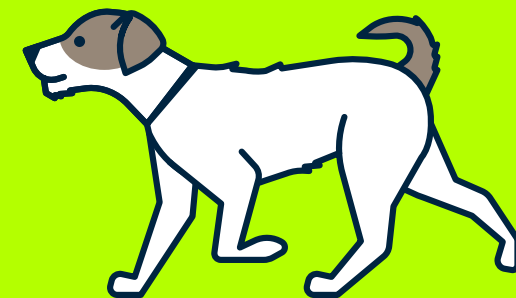
ESG Academy

The ESG Academy is a collaborative effort between Yettel and the Faculty of Economics of Sofia University "St. Kliment Ohridski". In 2022, 12 employees from various departments incl. Human Resources, Finance, Procurement, Technology, Corporate Affairs, Corporate Communications, Strategy, and Audit, took part in the ESG Academy. One of the participants was Yettel's CXO. Gaining the necessary knowledge during the Academy enables the participants to later be directly involved in the fulfillment of the company's sustainability goals. The diversity in the participant group ensured that we had representatives from across the company who could then serve as ESG Ambassadors with the newly acquired knowledge.

During the period of 5 months, the participants of the Academy went through an intensive course in 5 modules covering the topics "ESG approach in management", "ESG accountability and requirements for reported data", "Energy and Climate Policy", "Climate Adaptation and Resilience", "Green and Circular Economy", "The Social Pillar of Sustainability".

This initiative is in line with our ambition to introduce specific sustainability training for our employees, as per our Sustainability Strategy 2028, and having participants in key roles in the company helped us with the further implementation of the Strategy.

At the beginning of 2023, we rolled out the second edition of the ESG Academy with 14 new participants, one of whom is another of Yettel's CXOs.



5.1 Corporate governance, business ethics, regulatory compliance

Material topics: Corporate governance & Human Rights Protection

Corporate governance and business ethics play a crucial role in protecting and promoting human rights within the context of business activities. A robust corporate governance framework promotes ethical practices, such as fair wages, safe working conditions, and non-discrimination policies, contributing to the safeguarding of human rights in the workplace.

We are committed to responsible business conduct and to ensuring respect for human rights within our spheres of influence. Therefore, we dedicate efforts to frequently identify and manage our human rights impacts and to mitigate risks along our entire value chain.

The PPF Group, and all its local subsidiaries, are united in respect to complying with legal regulations, international treaties, rules of ethics, morals, and fair commercial conduct. Accordingly, we have adopted policies that serve as guidance to all Yettel employees on how to conduct business in a lawful and ethical manner. Each policy is assigned an owner who is responsible for communicating all relevant principles and requirements to all our stakeholders.

A leading document that determines the business conduct at Yettel Bulgaria is the Code of Ethics, which is part of the Corporate Compliance Program of the PPF Telecom Group and has been adopted with a decision of Yettel Bulgaria Board of Directors.

The purpose of Yettel's Code of Ethics is to identify fundamental rules that are complied with by the PPF Group and Yettel during the performance of its day-to-day activities and establish corresponding obligations of the PPF Group, Yettel, and their Associates in relation to them. The Code of Ethics also establishes a framework within which all other internal regulations of Yettel and the PPF Group shall be interpreted. It summarizes its fundamental values; thus, it facilitates their understanding, interpretation, and application to day-to-day activities by the company, and all employees, without exception, are expected to abide by those principles.

Our company does not tolerate any form of bribery or corruption, refrains from engaging in any type of anti-competitive behavior, and strictly prohibits any form of harassment, intimidation, forced or illegal labor. Our governing documents also address the adoption of appropriate, preventive, security measures to protect the health of the employees, as well as the confidentiality of sensitive and private data of our employees, customers, and business partners that Yettel has obtained in relation to its activities.



Furthermore, there are several other governing documents that manage the risks of non-compliance and inefficient business performance for selected areas at Yettel Bulgaria. 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.

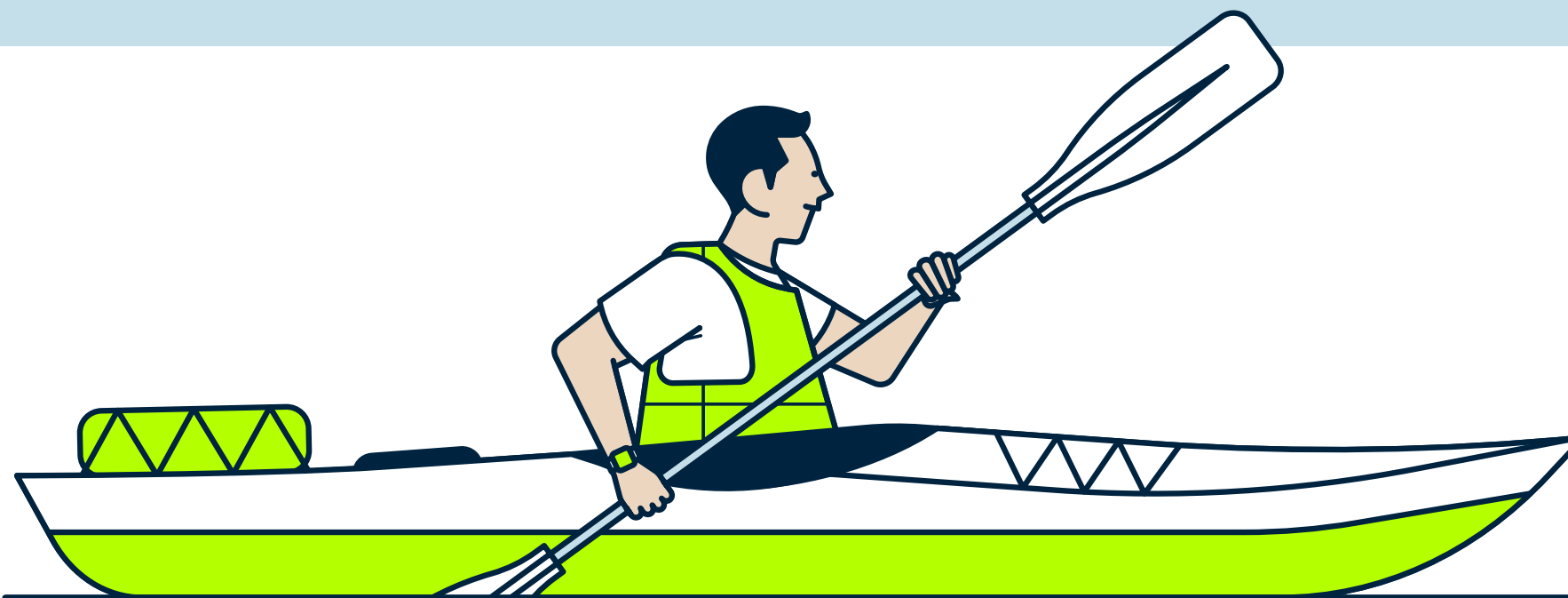
The **Local Ethics and Compliance Policy** governs the prevention and investigation of potential breaches, giving and receiving extravagant gifts and ones above a threshold, and accepting business trip invitations that include travel/ accommodation expenses. All such items are duly approved and entered into the specific internal register maintained by the Compliance Team.

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 **integrity due diligence**, and our **grievance mechanisms** which are important for avoiding unacceptable risk and ensuring the integrity of our operations.

In 2022, two operations have been assessed for risks related to fraud or corruption - Sales and Sourcing (Procurement) and related business activities and have been concluded to bear higher risks of fraud or corruption than others. To address the risk of fraud or corruption, relevant risk mitigation measures are implemented, including Integrity Due Diligence for certain categories of business partners, events invitations rules, and approvals for Yettel employees. We believe that providing training to our employees on bribery and corruption is another crucial step to ensure legal compliance, manage risks, promote ethical awareness, and build a culture of integrity. Therefore, in September 2022 we conducted two contextual-based training sessions, where ethics & compliance function and rules were communicated in face-to-face workshops to the retails and business sales management.

During the reporting period, we have had 0 reported significant instances* of non-compliance with laws and regulations.

*As in the Sustainability Report 2021, significant instances of non-compliance are determined as cases where an administrative fine at or above 50,000 BGN has been imposed on Yettel Bulgaria by a competent authority.



Conflicts of interest

Our Local Ethics and Compliance Policy regulates 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 the cases when such an interest should be disclosed (e.g., employee-owner holding 50% share capital/ voting rights at a 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. Relatives or persons being in a relationship are generally not supported to be in a hierarchical relationship in Yettel Bulgaria. According to the policy, the Compliance Officer and the Director of the area concerned shall evaluate the interest disclosure. If a director is involved, their superior will represent the area concerned. The CEO will make a decision on a CXO's interest and the CEO's interest must be reported to the Board of Directors.



Grievance mechanism

We at Yettel Bulgaria recognize the need for a clear and transparent framework to address and handle any complaints in the workplace. Therefore, we have made available different channels, through which all employees have the opportunity and are encouraged to, raise concerns or report any suspicion of a 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. In case of a breach or a suspected breach, the employees are expected to notify their line manager or the Compliance Officer.

These channels for communication include a hotline (compliance@yettel.bg) and a dedicated email, while further relevant contact information is visible to all employees on the front page of the Intranet, as well as on the most common engagement application (Digital Office). All complaints and concerns are handled with utmost care and in full confidentiality. Yettel assures that no retaliation will be allowed against those who, in good faith, report violations. To that end, awareness of whistleblowing channels has been made available to all our new employees as part of the standard **induction process**.

Number of whistleblower cases in 2022	8
Number of whistleblower cases in 2021	7

In 2022, a total of 8 whistleblower cases were received through different channels, e.g., the hotline email compliance@yettel.bg, via the corporate website contact form, over the phone, or through other colleagues involved. 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.

In 2022, the Compliance Department at Yettel Bulgaria has not received any signals and has not investigated any cases of bribery. There have also been zero confirmed incidents of corruption and zero substantiated cases of bribery, as well as no confirmed incidents in which own workers were dismissed or disciplined for corruption or bribery-related incidents.

5.2 Sustainable Supply Chains

Our consideration of the impact of our business conduct goes beyond compliance with applicable laws and regulations. We strive to be a company with a broad positive impact on people and the environment, and we prioritize strong sustainability management practices. This is not possible if we do not ensure that the suppliers, we work with are aligned with us on our values and standards. Therefore, we committed to further engage and educate our people as well as our suppliers on the topic of sustainability.

We are aiming to introduce a sustainable supply chain program containing policies and procedures for starting a dialogue with key suppliers regarding our alignment of values on climate change, the environment, ethics, health, safety, and product stewardship by 2024. To that end, we prioritize the application of supply chain integrity principles by managing different legal, social, ethical, and environmental risks, while encouraging the incorporation of sustainable business practices by our suppliers.

We are also planning on finalizing a **Supplier Code of Conduct** in the second half of 2023 which will help us ensure compliance across the entire supply chain.



Integrity due diligence

To ensure that our suppliers uphold ethical standards, including respect for human rights, social responsibility, and environmental sustainability, an obligatory Integrity Due Diligence (IDD) assessment is due at the beginning of every business relationship we plan to enter with certain categories of business partners. This serves as a risk mitigation measurement, helping us identify and avoid potential risks related to disruptions in the supply chain, legal and regulatory non-compliance, unethical practices, and lastly, reputational damage.

The IDD screening process is performed by the Compliance Officer with the support of other internal colleagues when needed. The main aspects that we pay close attention to are 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.

If the Compliance Officer finds it necessary, additional risk mitigation measures are being taken, such as additional contractual safeguards (enhanced audit/monitoring rights). 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. Employee feedback is crucial to ensuring that our suppliers uphold equivalent ethical standards.

We recognize that despite the available measures for IDD assessment and risk mitigation, there are factors outside of our control. However, we are committed to getting our suppliers on board with our sustainability journey, which is why we are working on the development of a supplier engagement plan that will be based on promoting and aligning our values on topics such as climate change, environment, ethics, health and safety and product stewardship.

6. Additional company information

Yettel Bulgaria is an active member of the following organizations:



Groupe Speciale Mobile Association (GSMA)



The European Union Agency for Cybersecurity (ENISA)



American Chamber of Commerce in Bulgaria



Confederation of Employers and Industrialists in Bulgaria



Association of the Telecommunication Industry in Bulgaria



Bulgarian Business Leaders Forum



German-Bulgarian Chamber of Industry and Commerce



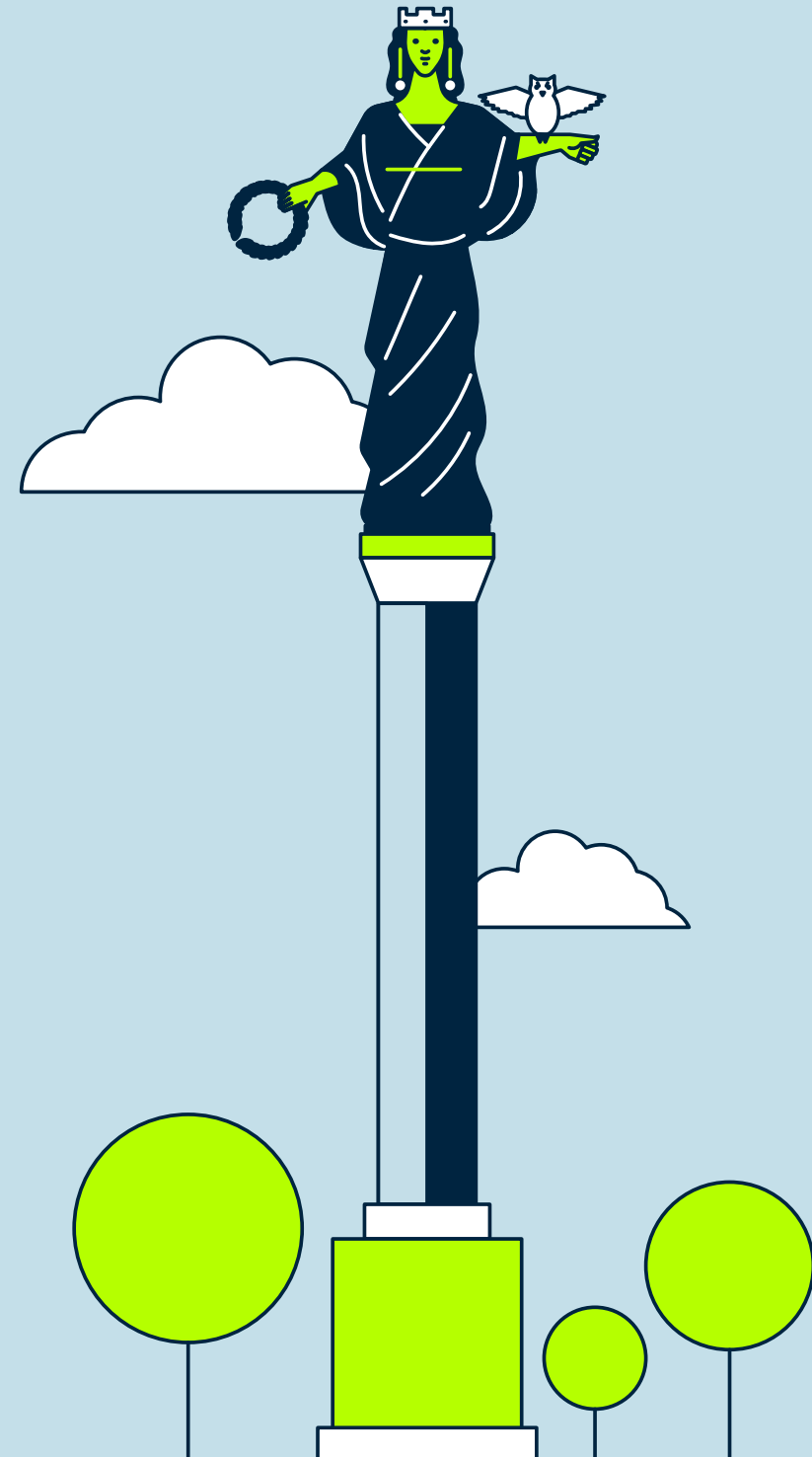
French-Bulgarian Chamber of Commerce and Industry



Bulgarian Association for People Management



Bulgarian Association of Information Technologies



6.1 Yettel Bulgaria's Value Chain

The table below offers an overview of Yettel's products, services, relevant business relationships, and main business activities, given the nature of the telecommunications sector the company operates in, which make up the Yettel's value chain.

Yettel Bulgaria						
CETIN Group (network provider)						
Research and development (R&D)	Materials supply	Packaging supply	Main activity / operations / network development	Marketing & sales	Deliver services & products	Consuming services & products
<p>The R&D of the products we offer is outside of Yettel's control and lies within the scope of our suppliers.</p> <p>In regards to our services, we consider the needs of and the feedback from our clients and business customers, and have set a sustainability goal to develop applications that support our clients on their sustainability journey.</p> <p>Additionally, Yettel Bulgaria will be part of the PPF Telecom Group Centre of Excellence and Innovation Hub, once established, 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. Certain categories of 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. Realizing the impact of our own packaging practices, 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. Because of that, we have put our efforts towards decarbonizing the grid electricity we use, though signing a PPA agreement, which will ensure our network is powered by renewable electricity.</p> <p>Additionally, different types of energy (electricity, fuels) are required for our office, warehouse, and repair center operations to continue running. As we have direct impact in those areas, we engage in various programs with the intent to decrease our greenhouse gas emissions.</p> <p>Looking at our indirect emissions, we are to include the topic in our comprehensive supplier engagement program, 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 and waste management, etc., and aim to minimize the impact our shops have on the planet.</p> <p>On top of using renewable energy for most of our store locations and network, 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 center, 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 programs for e-waste collection.</p>

6.2 Governance structure and composition

Yettel's management team, here referred to as the highest governance body, is the body that is tasked with guiding the company's business strategy as well as with decision-making on and overseeing the management of the organization's impacts on the economy, environment, and people. It has the following composition:



Jason King - Chief Executive Officer



Bogdan Uzelac - Chief Commercial Officer



Nikola Petreski - Chief Financial Officer



Hristo Tsvetkov - Chief
Strategy Officer



Galina Chuleva - Chief Human
Resources Officer



Spas Velinov - Chief
Technology Officer



Michaela Kalajieva - Chief
Corporate Affairs Officer

Composition of the highest governance body (headcount)

Male	5
Female	2

The highest governance body is tasked with the setting of objectives and overseeing the progress on these, with managing the company's human resources and knowledge assets as well as distribution of responsibilities. The management team is also responsible for the delivery of the operational and financial objectives as set by the PPF Telecom Group while considering the commercial, financial, and regulatory factors that influence Yettel's business. All critical concerns about the organization's potential and actual negative impacts on stakeholders are communicated during the meetings of the highest governance body. We aim to remain transparent at every step of our sustainability journey, so we keep our key stakeholders informed at all times.

In their long years of experience, all members of the management team have proven their leadership skills and expertise in corporate governance, specifically in the telecommunications sector, mainly in the CEE region and Bulgaria. In addition to that, their extensive knowledge, and skills to manage the sustainability impacts of the company make them invaluable to the organization. We are committed to keep improving and building up on our capacity to manage sustainability strategy and to further align it with our business objectives, which is why in 2021 we have set the goal to provide an in-depth sustainability training program to 100% of our senior management by the end of 2023, so in the reported year 2022 we have begun scheduling the program for the upcoming year. In addition to that, in 2022 we established an ESG Academy, together with Sofia University, where 12 of our people, including one of our CXOs, got enrolled. Currently, another of Yettel's CXOs is attending the second edition of the Academy.

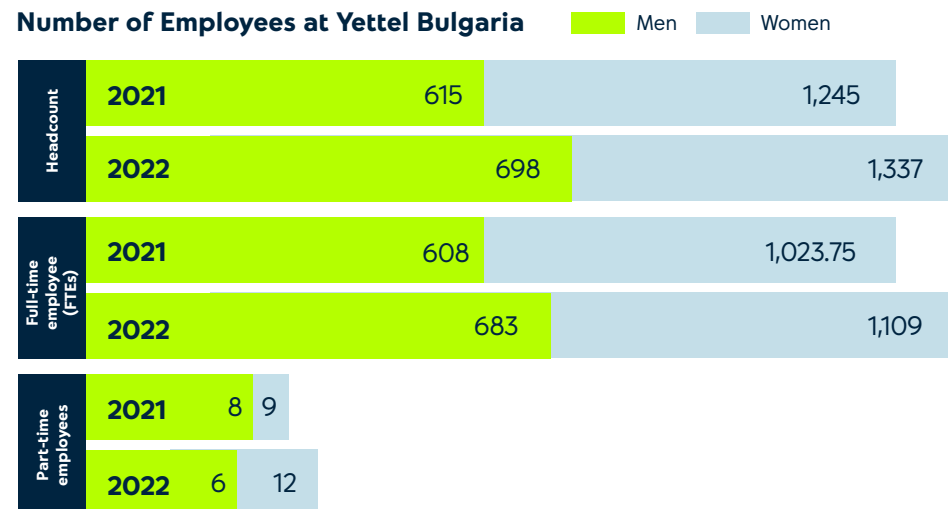
Besides his role as a CEO of Yettel Bulgaria and a Chairman of the Board, Jason King is also a member of the Management Board of the Confederation of Employers and Industrialists in Bulgaria. Michaela Kalaidjieva - Chief Corporate Affairs Officer of Yettel, is a member of the Management Board of the Association of the Telecommunication Industry in Bulgaria.

6.3 Employees

Our no-discrimination policy and approach help us build and maintain a rather balanced and diversified workforce.

As of the end of 2022, we had a total number of 2035 employees out of which approximately 66% are female and 34% are male. Our colleagues take on various client-facing, technological, and administrative roles. We also had an additional 22 workers 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



Employees at Yettel Bulgaria by Type of Contract (2022)

Permanent employees		Temporary employees	
1,876		159	
1,238 Women	638 Men	99 Women	60 Men

6.4 Economic performance

Being an industry leader in Bulgaria, our growth also ensures an economic advantage to both the national economy and to local communities. True to our identity of a sustainable brand, we bring along all our stakeholders on our way to prosperity - suppliers, customers, employees, and communities. By growing steadily, our business provides employment to more and more people directly and to many others from supplier networks - indirectly.

In line with our corporate responsibility, we uphold strict compliance with laws and regulations pertaining to financial reporting and tax obligations.

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

	2021	2022
Economic value retained	41,412	5,723
Breakdown		
Economic value generated	837,591	894,377
Net revenue	836,231	893,678
Other operating revenue	1,360	699
Economic value distributed	796,179	888,655
to suppliers	498,118	607,063
to employees	57,936	58,353
to capital providers	150,376	175,000
To government	89,653	48,122
of which Spectrum Licenses	68,106	25,093
to community	95	117

In 2021, Yettel generated a 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 million and community donations for this year were BGN 95,000 which represents 0.22% of the economic value retained for 2021.

In 2022, Yettel generated a direct economic value of BGN 894 million and distributed an economic value of over BGN 888 million. Respectively, the company's retained value is around BGN 6 million, and made community donations to the value of BGN 117,000, which represents 2.05% of the economic value retained for 2022.

During the reporting period, we received financial assistance from the government in the size of 1,2 million BGN (VAT excluded).

GRI Index Table

Statement of use	Yettel Bulgaria has reported the information cited in this GRI content index for the period 1st January 2022 - 31st December 2022 in accordance with the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

Material Topic	GRI Standard	Page	Comments
Mandatory Disclosures GRI 2	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	5, 24	
	GRI 2-5 External assurance		Not available
	GRI 2-6 Activities, value chain, and other business relationships	77	
	GRI 2-7 Employees	79	
	GRI 2-8 Workers who are not employees	79	
	GRI 2-9 Governance structure and composition	78, 79	
	GRI 2-10 Nomination and selection of the highest governance body	79	
	GRI 2-11 Chair of the highest governance body	78, 79	
	GRI 2-12 Role of the highest governance body in overseeing the management of impacts	8, 12, 17	
	GRI 2-13 Delegation of responsibility for managing impacts	12	
	GRI 2-14 Role of the highest governance body in sustainability reporting	8, 12, 17	
	GRI 2-15 Conflicts of interest	74	
	GRI 2-16 Communication of critical concerns	72, 73, 74	

	GRI 2-17 Collective knowledge of the highest governance body	78, 79	
	GRI 2-18 Evaluation of the performance of the highest governance body	42	
	GRI 2-19 Remuneration policies	42	
	GRI 2-20 Processes to determine remuneration	43	
	GRI 2-21 Annual total compensation ratio		Information is confidential and not disclosed
	GRI 2-22 Statement on sustainable development strategy	9	
	GRI 2-23 Policy commitments	72	
	GRI 2-24 Embedding policy commitments	12, 72, 73	
	GRI 2-25 Processes to remediate negative impact	72, 73	
	GRI 2-26 Mechanisms for seeking advice and raising concerns	68, 74	
	GRI 2-27 Compliance with laws and regulations	72, 73	
	GRI 2-28 Membership in associations	76, 79	
	GRI 2-29 Approach to stakeholder engagement	16	
	GRI 2-30 Collective bargaining agreements		Not applicable
Mandatory Disclosures GRI 3	GRI 3-1 Process to determine material topics	17, 18, 19	
	GRI 3-2 List of material topics	17, 18, 19	
Material Topic	Topic-Specific Standard	Page	Comments
	GRI 201 Economic Performance		
	3-3 Topic Management	80	
	201-1 Direct economic value generated and distributed	80	
	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	44	
	201-4 Financial assistance received from government	80	

Material Topic	Topic-Specific Standard	Page	Comments
Digital inclusion and coverage	GRI 203 Indirect Economic Impacts		
	3-3 Topic Management	59, 61, 63	
Innovation, research and development	203-1 Infrastructure investments and services supported	59, 60, 64, 65	
	203-2 Significant indirect economic impacts	59, 62, 65	
Corporate governance	GRI 205 Anti-Corruption		
	3-3 Topic Management	72	
Human Rights Protection	205-1 Operations assessed for risks related to corruption procedures	73	
	205-2 Communication and training about anti-corruption policies and procedures	73	
	205-3 Confirmed incidents of corruption and actions taken	74	
Climate Change	GRI 302 Energy		
	3-3 Topic Management	22	
	302-1 Energy consumption within the organization	23	
	302-2 Energy consumption outside the organization	23	
	302-3 Energy intensity	23	
	302-4 Reduction of energy consumption	23, 26, 27, 28	
	302-5 Reductions in energy requirements of products and services	23, 24, 25	
Climate Change	GRI 305 Emissions		
	3-3 Topic Management	24	
	305-1 Direct (Scope 1) GHG Emissions	24	
	305-2 Energy Indirect (Scope 2) GHG Emissions	24	
	305-3 Other indirect (Scope 3) GHG Emissions	24	
	305-4 GHG Emissions Intensity	24	

	305-5 Reduction of GHG Emissions	24, 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
Waste and circular economy	GRI 306 Waste		
	3-3 Topic Management	31	
	306-1 Waste generation and significant waste-related impacts	31, 33	
	306-2 Management of significant waste-related impacts	31, 32, 33, 34	
	306-3 Waste generated	31	
	306-4 Waste diverted from disposal	31	
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	3-3 Topic Management	48	
	403-1 Occupational health and safety management system	48	
	403-2 Hazard identification, risk assessment, and incident investigation	48	
	403-3 Occupational health services	44, 48	
	403-4 Worker participation, consultation, and communication on occupational health and safety	48, 49, 50	
	403-5 Worker training on occupational health and safety	44, 48, 49	
	403-6 Promotion of worker health	44, 48, 49, 50	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	48, 49	
	403-8 Workers covered by an occupational health and safety management system	48	
	403-9 Work-related injuries	48	
	403-10 Work-related ill health	48	

Material Topic	Topic-Specific Standard	Page	Comments
Employment & skills development	GRI 404 Training & Education		
	3-3 Topic Management	45, 46	
	404-1 Average hours of training per year per employee	47	
	404-2 Programs for upgrading employee skills and transition assistance programs	46, 47, 67, 69, 70, 71	
	404-3 Percentage of employees receiving regular performance and career development reviews	43	
Diversity and Inclusion Human Rights Protection	GRI 405 Diversity and Equal Opportunity		
	3-3 Topic Management	37, 40, 42	
	405-1 Diversity of governance bodies and employees	6, 40, 41, 42, 79	
	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.	
	GRI 406 Non-Discrimination		
	3-3 Topic Management	42	
	406-1 Incidents of discrimination and corrective actions taken	42	
Product and service accessibility, client responsibility	GRI 416 Customer Health and Safety		
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	416-1 Assessment of the health and safety impacts of product and service categories	51, 52	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	52	
Cybersecurity & privacy	GRI 418 Customer Privacy		
	3-3 Topic Management	66, 67, 68, 69	
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	69	
We also report on Yettel topics not covered by the GRI Standards:			
	Local communities	53, 54, 55, 56	
	Sustainable Supply Chains	75	

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