

Yettel.

**SUSTAINABILITY
REPORT 2023**

Bulgaria

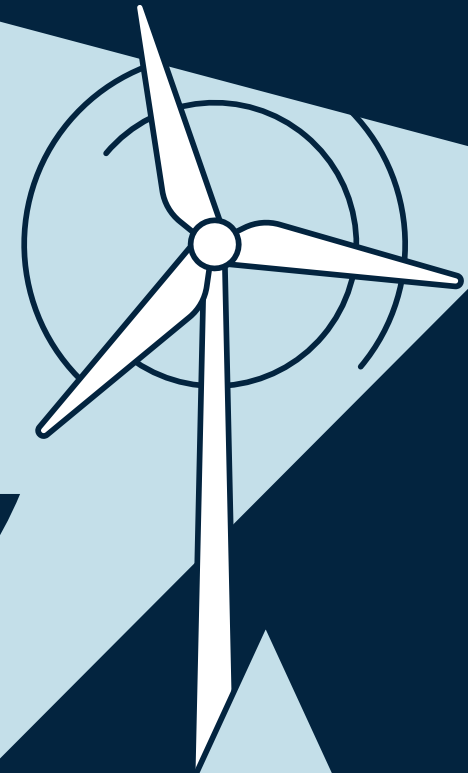




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Foreword from the CEO

Two years after introducing our Sustainability Strategy 2028, I am thrilled to share with you the progress we have made over the past year in our strong commitment to a sustainable future and responsible business practices. Our 2023 Sustainability Report, aligned with the globally recognized **GRI framework**, showcases how we are transforming our goals into meaningful actions, all while maintaining high transparency.

Various new advancements have shaped the context of our sustainability initiatives during the reporting year. A strategic step towards cleaner energy was the **introduction of the Power Purchase Agreement (PPA)** with Electrohold in collaboration with CETIN Bulgaria, which came into effect in 2023. This agreement demonstrates that our adherence to reducing our environmental impact is not just a goal - it is a responsibility we fully embrace and integrate into every aspect of our operations.

Another important cornerstone of our climate commitment is our determination to reduce e-waste pollution. Our ambition exceeds the creation of new services - we have adopted a new approach and have integrated our services, which support the extended use of devices, within the **Smartphone Universe package**. Through impactful initiatives like Yettel's Recycler, the Recycle and Save service, and the extended warranty program, we are actively empowering our users to make more sustainable and responsible choices. As a result of these efforts, in 2023 alone, **we prevented 27.2 tonnes of e-waste from reaching landfills**.

Driven by our innovation heritage and technological advancement, we continued to expand our portfolio of digital solutions, supporting businesses in their journey towards sustainability and efficiency. From remote electronic contract signing for business clients to fleet monitoring and management - with each passing year, we continuously develop new ideas that exceed our set targets.

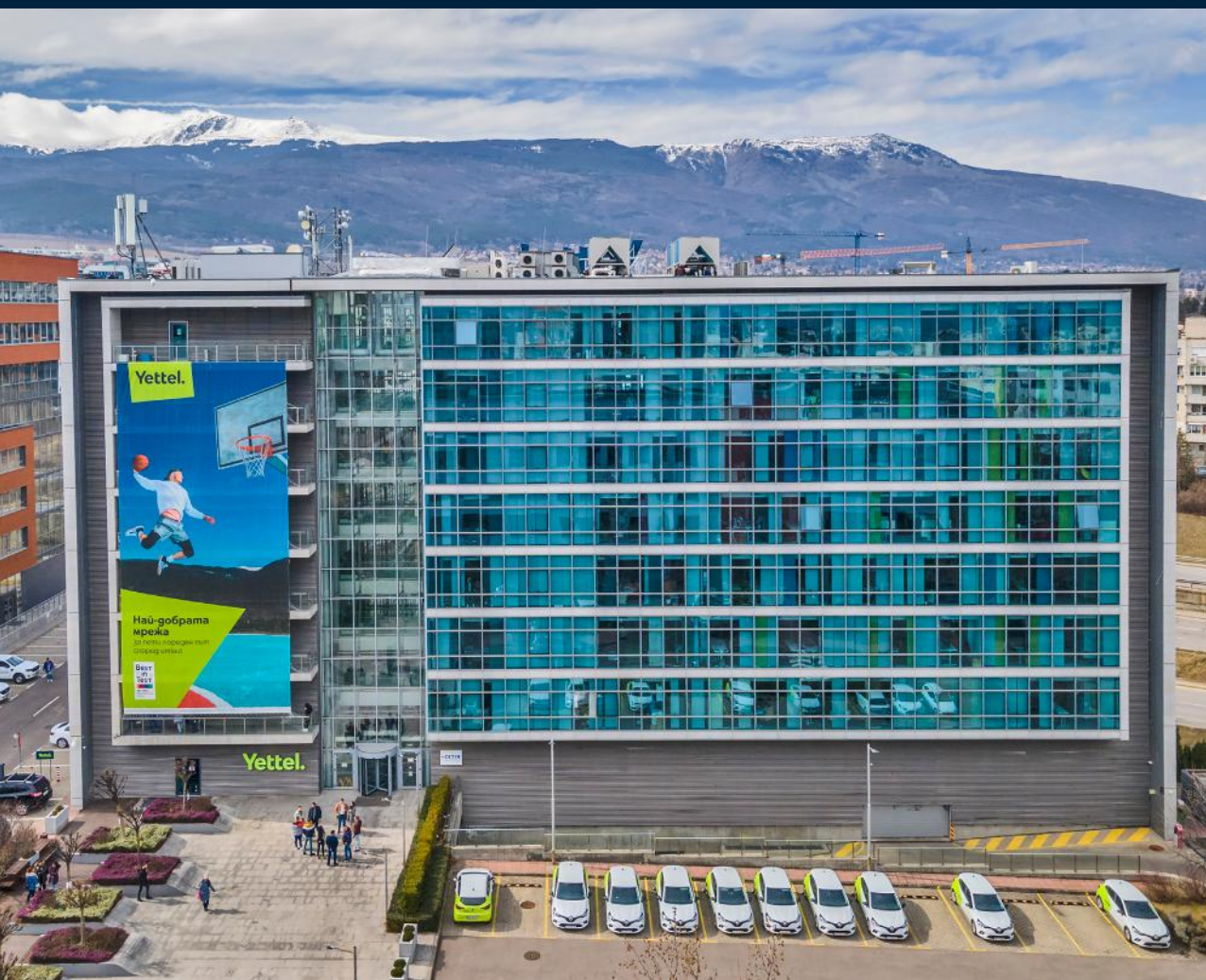
Beyond our contribution to a healthy environment, people and connectivity are at the heart of our business. In the strong competition for talent, I am proud that **Yettel has received the Top Employer certification, and for the seventh consecutive year, we were honored with the Best in Test certification** for our superior network from the renowned independent company umlaut, part of Accenture.

We understand that sustainability extends past our operations, influencing every aspect of our value chain. **That's why this year we issued a comprehensive Supplier Code of Conduct** which helps us meet our responsibility to establish, promote and maintain high standards of social and environmental sustainability and business ethics throughout our supply chain. Furthermore, we engage with our suppliers and other important stakeholders on various ESG topics, sharing best practices and know-how, because we believe that true impact can only be achieved when we are all united in our efforts.



Jason King
CEO, Yettel Bulgaria

About the report



This document represents the third annual Sustainability report of Yettel Bulgaria - a demonstration of our continuous commitment to sustainable development. As previously, the Sustainability report lays out a comprehensive overview of our achievements and efforts towards more sustainable business practices, in line with our Sustainability Strategy 2028.

The report covers all key environmental, social and governance (ESG) indicators and material topics of Yettel Bulgaria, which have been identified as a result of a thorough materiality assessment. For a third year in a row, our Sustainability report is prepared in accordance with the internationally recognized methodology for non-financial reporting - the Global Reporting Initiative (GRI) - 2021 version (hereafter: GRI Standards). Complying with the GRI Standards ensures that the data we present is accurate, traceable and comparable.

The report covers the period of **1st of January 2023 - 31st of December 2023**, aligned with our financial reporting period, and discloses data from all operations of Yettel in Bulgaria, including all our stores, corporate offices, warehouse, the central administrative building, and repair center, as well as our supply chain. Additionally, the report refers to another widely known framework - the United Nations' Sustainable Development Goals (SDGs) and maps Yettel's contribution to the achievement of the SDGs.

The report is prepared in both English and Bulgarian languages and is published on the company's website on 19.09.2024. For further questions and inquiries about this report, please reach out to us via email at esg@yettel.bg

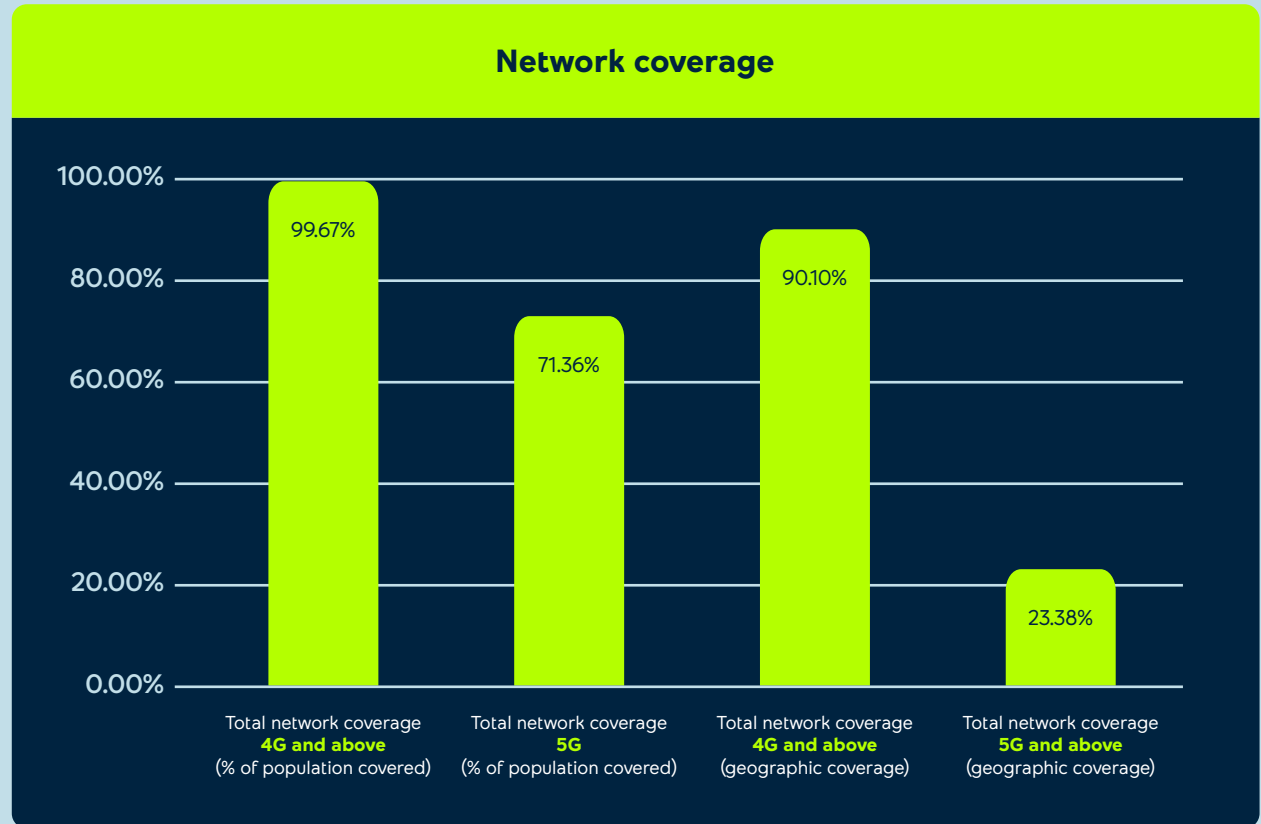
About Yettel

Company highlights (as of 2023)

Retail network of **182** stores

Number of active mobile users: **3.406** mln.

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



Yettel Bulgaria EAD (part of PPF Telecom Group with 100% ownership) is the leading provider of mobile telecommunication services on the Bulgarian market by revenue. Yettel offers full-fledged telecommunication services to more than 3 million customers, which makes it the third largest in the industry by subscriber market share. Through its broad offering, Yettel connects customers with people, devices, and businesses and provides them with 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. Yettel guarantees fast mobile network, high-quality voice and data connectivity in its own 4G and 5G network with VoLTE technology. In the second quarter of 2023 Yettel launched its home TV service and made it widely available for its customer base. Yettel TV is an interactive television service that reaches users via Internet connection and can be watched on a TV, laptop, or smartphone.

Yettel has a strong commercial presence around the country, owing it to its broad network of stores - 182 in total, a headquarter in Sofia, a repair center, a warehouse and 16 corporate offices, making our services and products easily accessible to people even in remote locations in Bulgaria. In addition to physical channels, all Yettel services are available over its online channels - website and smartphone app, available for both Android and Apple users.

Our dedication to innovation is reflected in our achievements over the last 20 years - we were the first to launch a commercial 4G network in Bulgaria in 2015, and a 5G network in 2021. With a steadfast commitment to maintaining our role as technology frontrunners, we continue to offer innovative yet user-friendly solutions across both mobile and fixed telecommunication services.



▶ CETIN

MEMBER OF PPF GROUP

CETIN Bulgaria - part of the CETIN Group established within the PPF Telecom Group and leading 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. Owing 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 provides international leased lines (L2 & L3 services).



Sustainability at Yettel

1.1 Our values

We at Yettel believe that technology's purpose is to make life easier and better for everyone. Consequently, we have established our mission to serve as a dependable partner for our customers in managing their digital lives. We believe that we can build the trust in the company starting from the inside, thus we focus our effort to establish a supportive work culture. Our values - **being simple, helpful, fast, and taking responsibility** - guide us in creating a more connected society and ensuring that everyone along the way benefits optimally from our technological solutions, including our customers, employees, and partners. Our value of being responsible mirrors our approach to sustainability - we commit to responsible business conduct, making sure that our products are safe and don't harm neither the environment, nor the people.

1.2 Our strategy

Yettel Bulgaria continues to drive its strategy objectives in line with our Sustainability Strategy 2028, which was developed as a collaborative effort between Yettel and the other telecommunication companies within the PPF Telecom Group. During that process, Yettel Bulgaria was heavily involved in the determination of material topics for the Group, which formed the basis for the development of the local strategy, whereas the local targets were verified by the senior management and approved by the executive management team - the highest governance body of Yettel, reflecting strong management engagement. Our strategy consists of policies, measures, and SMART targets in areas where telecommunications can have real impact on existing economic, social, and environmental challenges, while being aligned with the company's business goals.

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



Acting with integrity



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



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 has prepared a comprehensive program to enable the reduction GHG emissions, which is to be reviewed by SBTi.

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.



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

Initiatives for our internal stakeholders

Initiatives for our external stakeholders

Training opportunities for all employees

Educational campaigns and campaigns on sustainable living

Career change and progression

For all stakeholders

Inclusion programs

Engaging our employees in volunteering initiatives for external beneficiaries

Uniting our employees in ESG Crews that support the transition of the colleagues towards more sustainable lifestyle, which also benefits the society

How we will achieve our goals

Developing a program for reducing emissions

Supporting the principles of circular economy

Maintaining sustainable packaging practices

Tech for 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, digital, and personal data

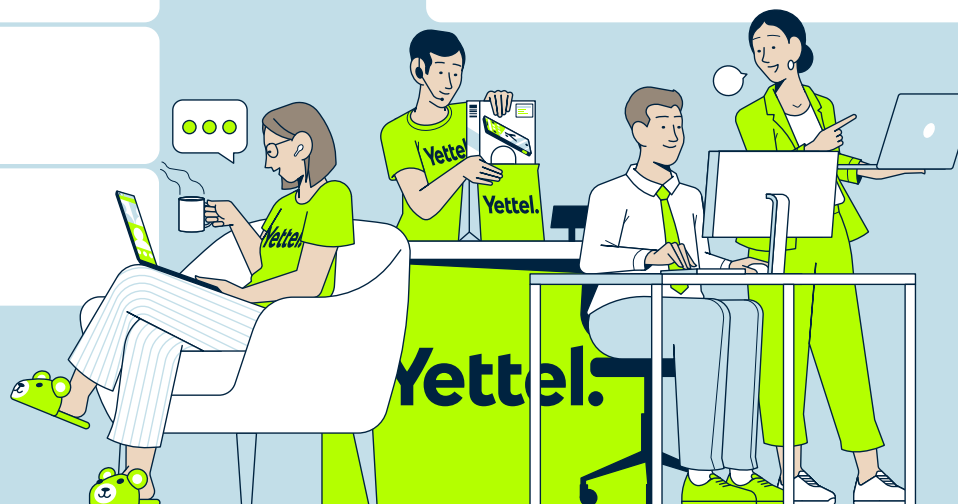
Acting with integrity and transparency

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

Providing sustainability-related training for our employees and senior management

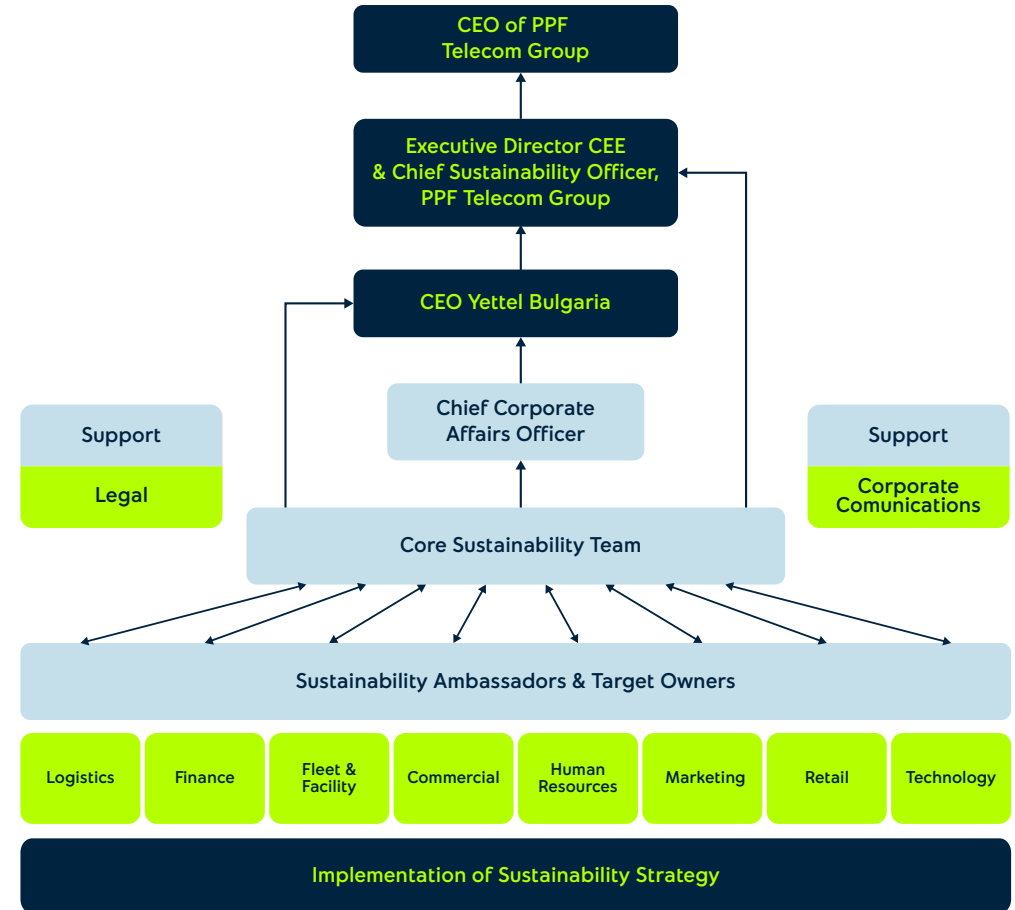
Following our supplier engagement plan



1.3 How we govern sustainability

The responsible and good governance of our ESG topics is of utmost importance to Yettel Bulgaria. This is why the accountability for the sustainability governance is spread across the entire organization - starting from the top management level all the way to single employees across different departments.

The Chiefs of each department and the CEO are highly involved in the decision-making process regarding all strategic sustainability matters 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, as well as to the Group's Chief Sustainability Officer. The team 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 owners set yearly goals, the progress on which is then being reviewed 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, is 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 across Yettel's departments in order to ensure cross-departmental cohesion. There are 17 Sustainability Ambassadors in total - each responsible for their respective department, including Logistics, Finance, Fleet & Facility, Human Resources, Marketing, Technology, Commercial and Retail teams. The Legal and Corporate Communications divisions have a supporting role in this process.

Additionally, our ESG Crew, comprising of 25 volunteers, plays a crucial role in the company's communication efforts with respect to the sustainability strategy. These are employees from different organizational units who are united by their interest in sustainability and their ambition to raise awareness about the topic among the rest of the colleagues. The purpose is to involve them in various initiatives to help them make the first (or following) step towards a sustainable way of living. Over the course of 2023, ESG Crew has run the following activities:

E-waste Challenge

This past year the ESG Crew launched the first two editions of the E-waste Challenge - an initiative that challenged our employees to rummage through their closets, clean out their basements, and free neighbors from old electronic devices and appliances. The second edition went even beyond the Yettel offices when, together with Business Park Sofia, we opened an installation with specialized bins for collection of electronic devices, which was available to both employees and visitors to the Business Park. For a month, workers in the office buildings and residents of the Mladost district had the opportunity to take a small and easy step towards a greener future. With the help of that initiative we added another 883 kilograms towards our goal of preventing electronic devices from being disposed of in the environment.



Sustainable Living Challenge

The Sustainable Living challenge, which was introduced back in 2022 and has gained popularity among our colleagues, aims to motivate our employees to learn about the topic and apply sustainable practices in their daily lives in a fun and competitive way.

In our September 2023 edition, 62 participants engaged in the challenge that included 24 different activities, prompting our colleagues to try and integrate small but meaningful steps towards an eco-friendly lifestyle. Some of the challenges included eco-friendly travel, reducing screen time on the phone, recycling old books, and fermenting milk at home.



Yettel Hanger – a second chance for our belongings

In 2023, we also continued running another beloved crew initiative - the Yettel Hanger, during which our employees could exchange clothes and items with each other and, in this way, give their old items a new life while also freeing up space at home. Behind this initiative stays our desire to promote the principles of circular economy by showing that the reuse of items can be a win-win-win situation, not only for the sender and receiver, but also for the environment.

This year's Yettel Hanger initiative gave new life to 850 used clothes, shoes, books and other items that were exchanged between employees.

Yettel Quizzards – ESG quiz night

One of the new initiatives of the ESG Crew in 2023 was a themed quiz night. During the two editions, our employees chose different questions related to sustainable development and challenged a total of 112 colleagues to learn interesting facts while having fun together.



Looking Ahead Podcast

The second season of the internal Looking Ahead podcast, which was launched as part of the sustainability awareness campaign, gathered 375 views in total. The name of the podcast was chosen with a specific intention - on the one hand, it shows our ambition to introduce our employees to our Sustainability strategy for the coming years and, on the other hand, to present the podcast as a platform where we can look to the future together and seek for an answer to the question: 'What role does each of us play in the attempt towards a sustainable future?'. In season 2 we focused on the topics of diversity and inclusion at the workplace, wellbeing, the importance of transparency and sustainability reporting, and volunteering initiatives.



1.4 Stakeholder engagement

We recognize the importance of engaging with our stakeholders in order to better understand the far-reaching impact of our organization on the world around us - be it on the economy, the environment, or people, and to take into consideration the different needs and expectations of our stakeholders towards us. In order to ensure we have a good understanding of our key stakeholders, we follow a robust procedure of identifying, mapping, and prioritizing different stakeholder groups. To ensure that their needs and opinions are heard and considered, we continuously work on providing new opportunities and channels for information exchange and feedback. This not only helps us better understand what the most significant issues of the company are, but the feedback allows us to improve upon the aspects that matter most to our stakeholders. By keeping communication open and by listening to our stakeholders, we build trust and respect, strengthening our relationships in the long run.

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 run 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 with 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 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 feedback forms. In addition, we engage with employees to understand the material topics of our enterprise. Employee engagement is regularly measured in our Monthly engagement surveys. Employees have the opportunity to openly and anonymously share their feedback and proposals for improvement which are reviewed by the responsible people and corrective/improvement measures are taken. In addition to that, we follow a comprehensive employee engagement and wellbeing strategy that spans across various stages of the employee lifecycle - from the recruiting and onboarding stage, through retention, and finally to transition and offboarding. Through all these phases we aim to gather feedback from our employees on their satisfaction, engagement, needs and expectations in order to meet these in the best possible way.
Clients	Our website and social media channels; Customer satisfaction surveys for mobile services customers; Feedback forms distributed through our application; Retail stores and call centers.	We aim to receive regular feedback from our clients, both for the quality of our services and their perception about our brand and our position in comparison to our competitors. We want to know their attitudes toward our sustainability initiatives and about their perception of our brand in regard to sustainability. We discuss ESG topics during our meetings with business clients, actively seeking their feedback and exploring opportunities for partnerships that can enhance our sustainability aspirations. We have an open grievance procedure available to our clients and we 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 and Supplier Code of Conduct. We further engage on social and environmental issues, working together with them to assist in assessing the impact of their operations on various ESG topics and sharing our best practices and know-how.
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 around the products and services we provide, as well as researching the attitudes of the Bulgarian population. We go the extra mile, striving to understand the awareness gap when it comes to sustainable ways of living and how Yettel, as a brand, can support the Bulgarian population on that journey.

ESG Connect

In November 2023 we hosted our first ESG Connect business breakfast at our headquarters, which brought together a diverse group of companies and experts to exchange experiences and best practices related to integrating sustainability principles into the business. The meeting focused on promoting sustainable business solutions and partnerships, highlighting Yettel's commitment to sustainable development. In an informal setting, our business customers and partners shared their experiences in the field of sustainable business strategies and the importance of ESG for their business. Discussion sessions outlined opportunities for collaboration between companies to achieve a more sustainable future, highlighting the importance of innovation and strategic planning in integrating sustainable practices.



1.5 Materiality assessment and material topics

The materiality assessment is a key process that helps us identify, assess, and prioritize environmental, social, and governance (ESG) aspects that are impacted by our company's operations or such that may have an impact on our company. As such, the materiality assessment 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.

This year's Sustainability report and the materiality topics are based on last year's materiality assessment, which was a product of the collaboration of Yettel Bulgaria and the PPF Telecom Group. Thus, the material topics covered in the report and the materiality matrix remain the same as in the Sustainability report 2022, as they continue to remain relevant for our business and to our stakeholders.

Meanwhile, we are currently conducting our double materiality assessment, following the ESRS requirements, the results of which will be disclosed in our next Sustainability report.

Our senior management was actively involved in the preparation of our last materiality assessment through the steering committee that is responsible for coordinating the sustainability agenda at Group level.

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



Gaining a deep understanding of the organizational context of the Group provided us with key information for identifying actual and potential impacts. We 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 sustainability goals. To further involve them in the process, focused surveys with different stakeholder groups were 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 individuals participated in the survey (amongst which investors, government officials, customers, suppliers, employees, and media representatives), 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 assessment, 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 and circular economy	4.2	✓	
4	Cybersecurity & 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		✓

Once again, the topic "Network deployment" is not featured as a standalone material topic but is covered in the topic "Health and safety", while "Protection of Human Rights" is included as part of several other topics such as "Corporate governance" and "Sustainable supply chains".

1.6 Contribution to the UN Sustainable Development Goals

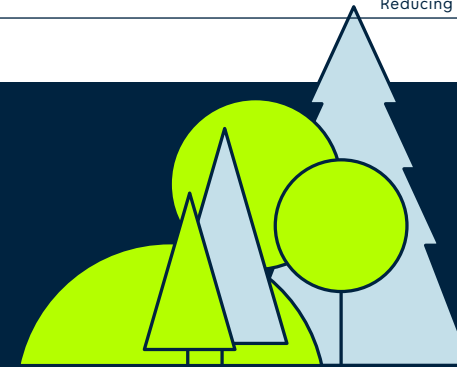
As a company dedicated to serving society and the environment, it is crucial for us to align our efforts with relevant global issues. We believe that business innovation in the private sector can provide vital solutions to worldwide challenges. This is why we have incorporated the UN Sustainable Development Goals into our business practices and sustainability reporting, being aware of the widespread recognition of this framework. As a telecommunications company, our technological advancements and solutions play a role in creating a fairer and more inclusive society. By offering reliable connections to everyone, we ensure that all individuals have equal access to participate in the political, social, and economic life. Additionally, as a sizable business, our actions not only positively impact the environment but can also set an example for our industry as a whole.

Therefore, Yettel Bulgaria, in collaboration with PPF Telecom Group, has committed to align our policies, 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 really matters.

Our programs, which we execute as part of our Sustainability strategy, are also in line with the values of the UN Global Compact, which we have joined as part of the PPF Telecom Group in 2023. Being part of the UN Global Compact allows us to join the collective efforts towards making a positive impact on society, while adhering to a framework to guide us and help us navigate the world of corporate responsibility and sustainability.



Reducing our environmental footprint



2.1 Energy, greenhouse gasses and other air polluting emissions

Protecting the environment remains a main priority for Yettel. We recognize that addressing environmental concerns is a strategic imperative to mitigate risks and demonstrate corporate responsibility, particularly as stakeholder expectations and demands for sustainable business practices continue to increase.

That is why we feel a strong responsibility to contribute to a greener future. This is especially important for us because our services use a lot of energy, mainly for data transmission and storage. Our network infrastructure is a major factor contributing to the energy use, making our indirect emissions the largest part of our carbon footprint.

Given these challenges, it's crucial for us to find new ways to use energy more efficiently. We are working closely with our network provider CETIN to find and implement the most energy-efficient solutions. Whether it's cutting back on energy use or exploring renewable energy options, everything we do is aimed at reducing our environmental impact.

Material topic: Climate change

In order to successfully manage the topic and achieve our goals, we've adopted the international standard **ISO 14001**. This standard provides a framework for managing our environmental impact, allowing us to evaluate the effectiveness of our approaches, pinpointing areas where improvements can be made, and ensuring we are holding ourselves accountable.

We are dedicated to keeping our employees informed about these methods through informative campaigns. These campaigns aim to increase employees' understanding of how our activities impact the environment and encourage their support for our Environmental Policy.

In our commitment to reducing greenhouse gas emissions, the PPF Telecom Group has undertaken the task of setting targets aligned with the Science Based Targets initiative (SBTi). Our objective is to develop and approve a comprehensive program by 2024, which will guide us in reducing our emissions in line with the ambitious goals of the Paris Agreement's Net Zero target.



OUR GOAL

Achieve carbon neutrality by 2050 or sooner by reducing our carbon emissions in Scope 1, 2 and 3 and our emission intensity.

Energy consumption by fuel source (in kWh)

Fuel source	2022	2023
Diesel	99,692	118,578
Petrol	3,751,632	3,758,040
Natural gas	134,440	154,400
Central heating	801,527	205,552
Grid electricity	4,570,491	3,652,170
Green electricity	92,180	1,413,342

Energy consumption by type (in kWh)

Energy consumption	2022	2023
Electricity	4,570,491	3,652,170
Heating	801,527	205,552
Fuel	3,985,765	4,031,018
Renewable electricity	92,180	1,413,342
Total energy consumption within the organization	9,449,962	9,302,083
Energy intensity	20.68 kWh/1,000 EUR revenue	18.51 kWh/1,000 EUR revenue

Following our good practice and the improvements made in 2022, in 2023 we have applied our already established methodology and the requirements of the GHG Protocol standards in order to calculate our emissions in Scope 1, 2 & 3. In 2023, PPF Telecom Group, and Yettel BG, respectively, implemented several changes to our GHG emissions calculation methodology. These changes include referencing the emissions of goods to the actual product emissions declared by manufacturers, attributing emissions from fuel and energy-related activities based on proportional rates set by IEA and AIB residual mix emission factors or specific emission factors for renewable energy, and using global emission factors for purchased goods, services, and capital goods when applying the spend-based method for emissions calculation.

Additionally, improvements were made by capturing emissions from investments, fully aligning emission categories with company accounting, using the latest residual mix emission factors from AIB, extending the consideration of sold products' emissions to their full life cycle, and including emissions from leased products in downstream leased assets.

These adjustments resulted in a more than 5% change in the PPF Telecom Group's carbon footprint, necessitating a restatement of the emissions calculated for 2022.

10.48 % energy intensity reduction in 2023 compared to 2022



The table presents the results from our third carbon footprint assessment for the years 2022 and 2023, including the direct and indirect emissions from our network and retail businesses across Bulgaria:

CO ₂ Emissions	2022	2023
Scope 1 (Total in tCO ₂ e)	1,002	956
Scope 2 (Total in tCO ₂ e)	2,500	1,925
Total GHG emissions Scope 1 and 2 (tCO ₂ e)	3,502	2,881
Scope 3 (in tCO ₂ e) without CETIN's Emissions	77,742	72,828
Scope 3 (in tCO ₂ e) from CETIN Bulgaria	79,840	64,383
Scope 3 (Total in tCO ₂ e)	157,582	137,211
Total GHG emissions Scope 1, 2, 3 (tCO ₂ e) including CETIN's emissions	161,084	140,092

Emission Intensity (total tCO₂e/1,000 EUR revenue)



0.353 tCO₂e/1,000 EUR revenue for 2022

0.279 tCO₂e/1,000 EUR revenue for 2023

20.90% emission intensity reduction in 2023 compared to 2022



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 center.



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.

2.2 Our decarbonization initiatives

Significant energy and emissions savings from our green network and operations

In order to reduce the company's carbon footprint, Yettel and CETIN Bulgaria have signed a 10-year Power Purchasing Agreement (PPA) with Electrohold Trade for supply of electricity from renewable sources. Starting September 2023, the direct energy consumption of both companies is supplied by a 123 MW photovoltaic plant.

Based on the consumption for the last 4 months of the year, both companies have saved approximately 11,700 tons of CO₂ emissions.

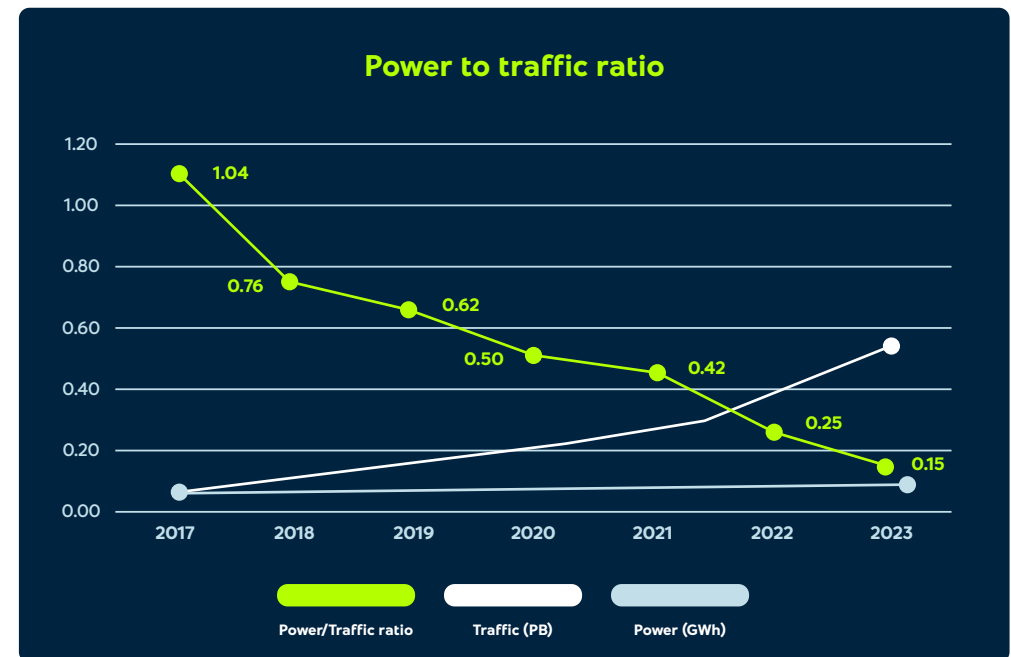
Furthermore, the photovoltaic plant on the rooftop of Yettel's Headquarters, the installation of which was yet another measure we took in 2022 to limit our environmental footprint and to make use of the readily available renewable natural resources, has managed to produce **35 MWh of green energy during 2023.**



Optimization of our network energy efficiency

In 2023, we continued our collaborative efforts together with CETIN Bulgaria to make our energy usage more efficient, knowing that our network infrastructure is the most significant contributor to our energy consumption. Thanks to our efforts we managed to further 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, despite higher levels of traffic, our power demand has remained rather steady, while the power-to-traffic ratio has continued to decrease, which is a significant achievement in terms of resource use optimization and transition towards a greener future.



2.3 Input materials and waste

The topic of circular economy has remained central for us. While raw materials and natural resources are vital for modern economies, their extensive use carries environmental costs, including greenhouse gas emissions and other negative impacts throughout a product's lifecycle, such as soil, water, and air pollution.

As a telecommunications company, we recognize the importance of proper waste management, especially considering e-waste's significant environmental footprint, and are committed to addressing this issue innovatively. By actively managing our waste and exploring innovative recycling methods, we aim to lessen our impact on landfills and promote sustainable resource use.

Together with CETIN Bulgaria, we prioritize the reuse or recycling of equipment that's no longer needed, extracting maximum value from equipment while it's in use and responsibly recycling materials.

Our goal isn't just to foster responsible behavior and sustainable practices within our company, but to also enlist our stakeholders as allies in our efforts to live in harmony with nature.



Material topic: Waste and circular economy

Our network partner CETIN supports us in our endeavor by ensuring that all decommissioned network equipment and network waste is recycled, refurbished, or resold for a second life somewhere else.



OUR GOAL

Prevent at least 127,000 kg of e-waste from going to landfill by 2028

Addressing the topic of e-waste

Smartphone Universe

“Smartphone Universe” is Yettel’s service package, as part of which we offer perks such as an extended three-year warranty, insurance options, certified repair services, and the “Recycle and Save” program. This initiative allows our customers to return old devices for recycling, reinforcing both savings and sustainable practices by allowing them to use their devices in a more sustainable way.



New and favorably

- Smart offers
- Flexible payment
- Voucher for an accessory

Longer together

- Insurance Smartphone protect
- 3 years warranty
- Certified service

Time to change

- Recycle and Save
- Return and get a new one discount



The growing challenge with e-waste is a complex issue that requires collective targeted action. In 2023, we continued our initiatives that aim to address the topic.

Prolonged warranty on all smartphones

In February 2023, Yettel introduced 3 years of free warranty to all smartphones in its portfolio, extending it from 2 to 3 years, making it the first mobile operator in Bulgaria to make such a significant step toward extending the life of their users’ devices. Under the motto “More Time Together”, Yettel’s new policy addresses our ambition 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.

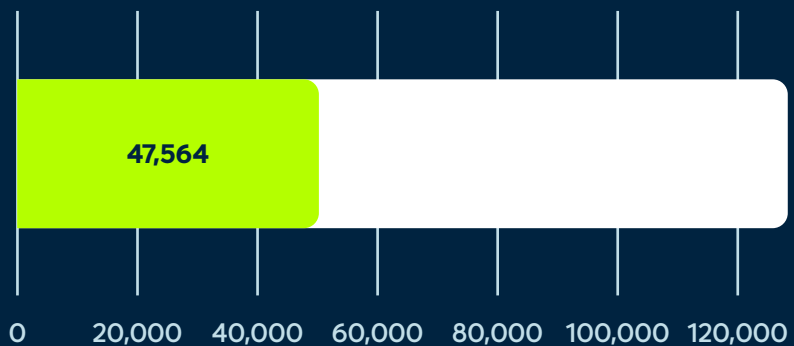
Recycle & Save

In 2023, we continued our “Recycle and Save” program, which ensures that customers will either receive a fixed discount on their new smartphone or the residual value of their returned device. This amount can be used upon the purchase of another device or accessories from our stores. This year, the program was yet again supported by an advertising campaign, focusing on the fact that **“Recycling is for everyone”**, not just a trendy topic for the youngsters, but activity that should be embraced by everybody.

Our annual sustainability social research showed that the overall awareness of our customers when it comes to the opportunity of recycling at the stores of the mobile operators grew. A significant decrease is also seen when it comes to the percentage of people that keep their old phones at home as spare ones - from 49% in 2022 to 43% in 2023. This statistics is also supported by the growth we saw when it comes to the kilograms of devices collected in the dedicated e-waste bins, located in all Yettel stores - **60% growth in 2023, compared to the previous year.**

With the help of those and other programs, aiming at the extension of the life of devices through repair, reuse and recycling, **in 2023 we managed to prevent a total of 27,233 kg of e-waste from going to landfill.** This amounts to a staggering 60% increase in prevented e-waste.

As a result of our consistent efforts, since 2022 we have managed to divert a total of **47,564 kg** of e-waste from going to landfill through our repair, refurbishment and recycling programs. We consider that to be a significant progress towards our goal of **127,000 kg** of collected e-waste.



Other circular economy initiatives

Recyclable receipt paper

In 2023, we replaced the standard white receipt papers for the cash registers with eco-friendly, blue-colored receipts in all our 182 stores nationwide. Blue cash register paper is made from eco-friendly thermal paper, which distinguishes it from ordinary receipt paper that cannot be recycled.

With the introduction of the eco-receipt, we are expected to reduce our annual consumption of plain white receipt paper by over 1.7 tonnes and replace it with recyclable paper, limiting our environmental footprint even further.

Electronic signature for our business customers

Following the successful introduction of a completely paperless contracting process for our private customers in 2022, in 2023 we introduced the electronic signature option for our existing business clients as well. With the launch of this digital solution, we are building up on our efforts to reduce the use of paper by saving the emissions, on the one hand, from the transport required to carry out physical signing meetings, and on the other hand, those that would be emitted during the transport of the documents to a physical archive.



In 2023, we managed to prevent the disposal to landfill of a total of **117.88 tons of waste** which is 79% of the total generated waste for 2023.

Waste composition	Waste generated 2022	Waste generated 2023	Waste diverted from disposal 2022	Waste diverted from disposal 2023	Waste directed to disposal 2022	Waste directed to disposal 2023
Domestic waste (office building)	18.56	16.69	–	–	18.56	16.69
Paper (office building and warehouse)	43.07	29.53	43.07	29.53	–	–
Plastic and metal (office building)	1.18	0.80	1.18	0.80	–	–
Paper (retail network)	19.04	13.51	–	–	19.04	13.51
Plastic (retail network)	0.36	1.03	–	–	0.36	1.03
Wooden pallets (warehouse)	11.04	9.60	11.04	9.60	–	–
Paper packaging tax	57.46	57.46	57.46	57.46	–	–
Plastic packaging tax	8.25	6.14	8.25	6.14	–	–
E-waste own operations (including batteries)	8.40	9.37	8.40	9.37	–	–
E-waste collected from customers (including batteries)	3.20	4.98	3.20	4.98	–	–
TOTAL	170.56	149.11	132.60	117.88	37.96	31.23

Breakdown of waste generated for 2022 and 2023 in tons

Putting people at the center of everything we do

3.1 Diversity and inclusion

The topic of Diversity and inclusion is an important one to us, as we understand the transformative power of an inclusive and supportive work environment. We believe that our responsibility as an employer goes beyond providing employment and that we need to meet the expectations of our employees to receive the proper recognition and support on their career path, while creating an environment where everyone can be their unique self. The promise that we gave our employees and we try to live by every single day is that "With us, you can be yourself and make an impact". This is also closely related to our efforts to keep our focus on human rights protection in the business context. We try to ensure that our employees feel respected regardless of gender, age, disability, religion, cultural background, language, and other personal characteristics. 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.

Material topic:
**Diversity & Inclusion
& Human Rights
Protection**



Our actions for an inclusive working environment



Side by Side Program

Following eight successful editions of the Side by Side program, in 2023 Yettel launched its 9th edition. Side by Side is an initiative that has started out of our desire and determination to create an inclusive and supporting working environment. The program facilitates the professional and social integration of individuals with physical disabilities over a two-year period by enhancing their technical and social skills. Throughout the duration of the program, participants undergo a specifically designed induction process, engage in real business projects and assignments, and receive psychological support and mentoring. Such mental support and training are provided not only for the participants, but also for their designated mentors and hosting teams. In 2023, three individuals enrolled in the program and will work on specific projects within various departments over the next two years. One of these employees works fully remotely, benefitting from our policy that permits such an arrangement during the program.

37
participants

Since the beginning of the program

8
participants

Have continued their career within the organization

Hub by Yettel

In light of the significant success of our internship program “Hub by Yettel” in previous years, we have decided to offer two editions of the program in 2023 - one in the spring and one in the autumn. With that we aimed to provide more young people with the opportunity to participate. More than 600 students applied for both the spring and autumn editions of the program. In the spring edition we hired five interns, while in the autumn edition we onboarded nine interns. Over the 12 months after the start, the selected participants took a closer look at the world of telecommunications, while gaining valuable practical experience and working on interesting strategic projects for the company in the technology, commercial, and financial departments of the telecom.

Since the program's inception in 2016, 62 interns have participated, with 72% securing permanent positions and continuing their professional development within the company to date.



Second Shift

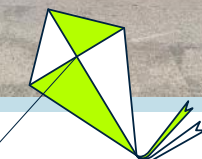
Second Shift is another impactful project of Yettel Bulgaria, which is dedicated to our children and their career orientation. The program is designed for teenagers between the ages of 17 and 19, children or close relatives of Yettel employees. For the period of one month, the children work alongside Yettel's employees from various teams. Thus, the program provides them the opportunity to gain practical knowledge in a field of their choice with the support of a mentor who introduces them to the working environment and business practices.

Yettel Teen Academy

In 2023, we enhanced the Second Shift Program by incorporating into it the Teen Academy, an educational week serving as an orientation for the young participants. During this week, attendees gain insights into the company's operations and engage in discussions on key topics such as workspace dynamics, ESG awareness, and the importance of diversity, equity and inclusion (DEI). The Yettel Teen Academy is tailored for a broader audience, specifically targeting young individuals aged 12 to 19.



In 2023, 68 children took part in Yettel's Teen Academy, while 36 youngsters had the chance to go through the Second shift program that runs as a summer internship.



Yettel Family Day

In addition to the initiatives designed for teenagers, in 2023 our ESG and Balance Crews organized the first edition of Yettel Family Day - an initiative aiming to give our family members (especially children) the opportunity to visit our headquarter, learn more about the company where their relatives work, the world of technology, and gain a deeper insight into our ESG focus. The inaugural Family Day proved to be a great success, with **106 children participating.**



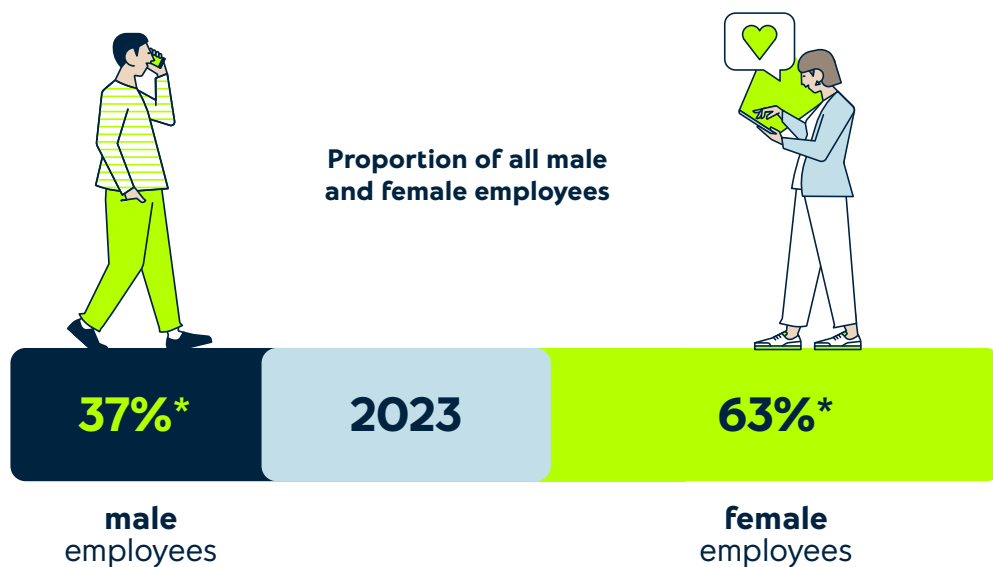
Age Break-Down by Function (2023)

Based on headcount	Leadership team	Management	Non-management	Grand total
Client-facing				
< 29	0	0	641	641
30-49	2	33	779	814
> 50	0	4	24	28
Others				
< 29	0	3	89	92
30-49	26	64	316	406
> 50	3	4	22	29
Technology				
< 29	0	0	25	25
30-49	5	5	72	82
> 50	2	2	10	14
GRAND TOTAL	38	115	1978	2131

Gender diversity

Gender diversity at the workplace is an increasingly important topic, reflecting broader societal conversations about equality and inclusion. It is especially prominent in the ICT (Information and Communications Technology) sector, where world trends suggest a lower percentage of employed women. Such discrepancy is also observed on managerial roles, regardless of the industry.

Recognizing the importance of contributing to the social dialogue on gender representation, we have formalized our commitment to achieving a balanced gender representation across most positions and levels within our company. However, we acknowledge that addressing gender disparities in managerial and technical roles is particularly challenging due to factors such as unconscious bias, stereotypes, and systemic barriers. Consequently, we have prioritized these areas by implementing formal KPIs and dedicated programs to monitor our progress and success. Our analysis for 2023 indicates the following results:



*Percentage calculated based on headcount

Number of Men and Women across all Business Operations (2023)

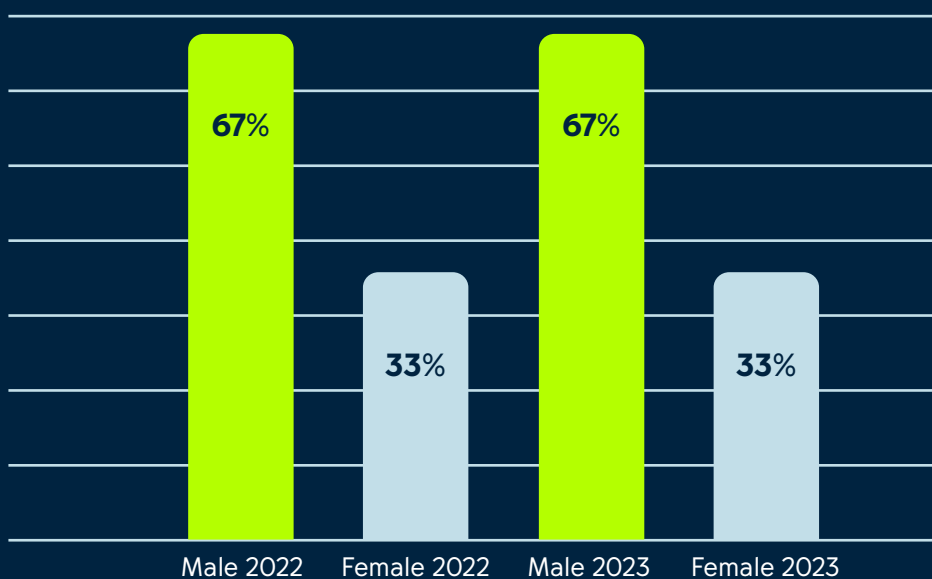
Based on FTE*	Female	Male	Grand total
Client-facing (all roles directly dealing with customers, e.g., shop staff, call center, business sales)	808	487.5	1,295.5
Technology (all roles in the technical area)	41	78	119
Other (all the rest, such as Finance, HR, Marketing, Legal, etc.)	296.5	205.5	502
TOTAL	1,145.5	771	1,916.5

*FTE - 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.

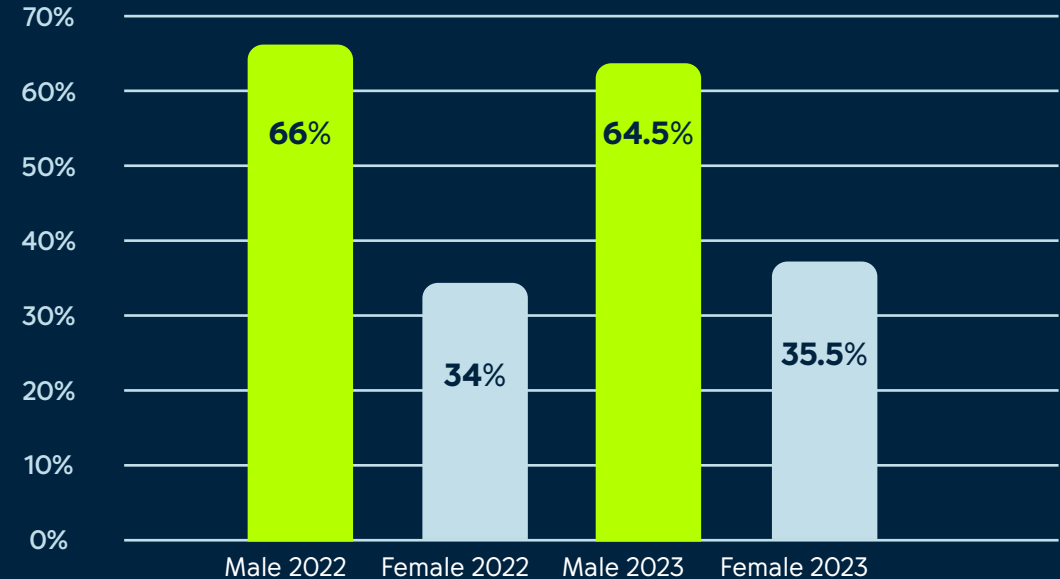
Proportion of men and women in management roles (leaders on levels CEO-1 and CEO-2)

Managerial Roles	2022	2023
Female	60	66
Male	82	84
Total	142	150
% Female	42.25%	44.00%
% Male	57.75%	56.00%

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



Proportion of male and female employees in technology roles 2022 vs 2023



Observing world trends in the workforce regarding the lower percentage of women employed in the ICT field, we decided to focus our efforts on increasing the female representation in our technology team. To that end, **we created awareness sessions for our hiring managers on the topics of unconscious bias** and the benefits of diversity at the workplace. We also partner with various STEM (Science, Technology, Engineering, and Mathematics) schools and universities by engaging our employees in mentoring and lecturing. Our commitment to diversify our workforce is expressed in the target that is part of our Sustainability Strategy 2028:

Despite the progress we have had so far towards this target, in 2023 we continued our focused efforts on the topic of **gender diversity and inclusion**. We organized **specific training for the colleagues from the HR department** as well as **for members of the extended management of the organization**, including the senior management (CXO -1), as well as all CXOs and Yettel's CEO to help us raise awareness on the topic of **unconscious bias and prejudice, stereotypical thinking and favoritism**. This helps us ensure that people in key roles 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.



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

Further sessions and discussions have taken place, such as an **open session on the importance of multigenerational inclusion** with our company psychologist, series of **sessions on the topic of women in technology roles**, and the **importance of inclusion** with our colleagues from the technology department. Additionally, as part of the Teen Academy program, dedicated to the children of our employees, we discussed matters related to unconscious bias, inclusion and diversity in the context of the workplace, and the connection to fostering innovation.

Diversity, Equity, and Inclusion (DEI) Survey

Over the past two years, we have strengthened our commitment to tracking progress on DEI through employee surveys. The most recent survey, conducted in early 2024, highlights the outcomes of our initiatives in this domain. The findings reveal a significant internal awareness of DEI principles, with two-thirds of our employees considering themselves well-informed on the subject. When asked about their sources of information on DEI, employees primarily cited internal resources, the internet, and discussions with colleagues.

Among the survey highlights are:

87% of the colleagues believe that the culture of DEI contributes positively to the company's success

88% feel included at the workplace, reflecting our inclusive culture

Furthermore, 87% of respondents agree that Yettel provides an accessible environment for individuals with disabilities, while the "Side by Side" initiative is the most recognized DEI program, suggesting its significant impact.

The governance of the diversity and inclusion topic is regulated in several documents - our **Code of Ethics**, our **Group and Local DEI Policy**, as well as our **Ethics and Compliance Policy**. The Code of Ethics prohibits discrimination, while the Ethics and Compliance Policy establishes a grievance mechanism through which all discrimination cases can be reported.

We have **0** cases of discrimination for the reporting period of 2023.

Yettel is Top Employer 2024

The first telecom in Bulgaria with the prestigious award



In 2023 we received another recognition and became the first and only telecom in Bulgaria to receive the prestigious Top Employer certificate from the international independent organization Top Employers Institute. The Top Employer certification is the result of a thorough and independent audit of the company's employer practices. Over the course of half a year, HR policies are assessed in six key areas divided into 20 topics, including people strategy, work environment, talent acquisition, learning and development, organizational change, wellbeing, and more.

In 10 of the 20 areas audited, we outperform the average of the certified telecom companies in Europe, according to data from the Top Employers Institute. These include people strategy, work environment, employer branding, and sustainability.

The biggest lead is in the **DEI category**, where we achieve a score of 90.74% - almost 17% above the European telco industry average.

Another two categories in which we perform better than other telecoms in Europe are **purpose and values** and **wellbeing**. In the former, we achieved a score of 100% - 14% above the industry average, and in the latter - 81.49%, which is 10.28% above the sector average.

Additionally, Yettel is the sole Bulgarian company invited to join the **Institute's library of best practices**, which is shared among top employers worldwide. Yettel's recognized practices include the **Digital Office Application** and the **Second Shift Program**. This achievement proves that our HR policies and practices can be labeled as advanced, sustainable, and impactful to both the workforce and business strategy.

Remuneration and commitment to equal pay

Equal pay is another aspect that we take into consideration as we see it as an important topic to leverage and 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 levels of performance while pursuing the common strategic goals of the organization.

Our compensation systems and processes treat all individuals equally, regardless of gender. The salaries we offer are predicated on the respective job description identical for all genders. 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. Currently, our employees are not covered by collective bargaining agreements. Instead, the working conditions of all employees are regulated by our company policies such as Yettel's Internal Labor Regulations, Internal Rules of Structure and Organization of Remuneration, Local Manual for Training of Employees and others.

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, and it is agreed on in the personal labor contract between the two parties.

Additional remuneration

It is 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. Additionally, we offer bonus schemes, which aim to effectively motivate and retain valued employees who provide exemplary performance, put extra efforts, utilize 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 in items 1 and 2:

For performed overtime work: 50% increase of the payment for overtime work on week days; 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 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 regular performance reviews with our employees. In 2023, consistent with our standard practice, **all our employees received at least one performance review**. However, employees in certain departments, such as Customer Sales, undergo reviews more frequently. For example, our retail store employees have monthly reviews.

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 to show them our appreciation. 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 wellbeing an issue of utmost importance. Amongst others, the following benefits are included in the package we offer:

4 additional days paid leave per year	1 day off for birthday	1 day off for corporate volunteering	200 BGN food vouchers	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	Access to online learning platforms	Opportunity to participate in tailored training & talent development programs	Sport cards at discounted prices
Certificates (discounts) for the purchase of devices	Company SIM card and data SIM card with unlimited data and voice services	Preferential tariff plans for family members (SIM cards, FWA, TV service)	Preferential prices for devices and accessories	Discounts from retailers and special conditions from banks and insurance companies

In 2023, we introduced several **new additions to our employment package**, including **a day off on an employee's birthday**, as well as **4 additional days off** after all standard leave days have been used. This initiative aims to enhance our ongoing efforts to support our employees' physical and mental wellbeing. Furthermore, we significantly **increased discounts on the purchase of devices** such as phones and smartwatches, along with **extending the replacement period**. This encourages employees to invest in higher-quality devices and use them for longer periods.

3.2 Employment and job retention

Material topic: Employment and skills development

Recognizing the value of our employees as the lifeblood of our organization, we understand the critical importance of fostering a workplace culture centered on good employment practices and skills development. By embracing a growth mindset and cultivating a supportive environment, we aim to nurture not only the professional advancement but also the overall wellbeing of our people. Embracing this approach isn't just about attracting and retaining top talent; it's about demonstrating our genuine commitment to the individuals who drive our success. We at Yettel believe that by investing in skills development initiatives, we not only empower our employees to thrive within our organization but also equip them with the tools and resilience needed to navigate the ever-evolving landscape of our industry. Our dedication to fostering a culture of care and investment in our people isn't just about corporate responsibility - it's about honoring the integral role our employees play in shaping our collective success and ensuring a brighter, more fulfilling future for all.

Local training strategy

Our Local training strategy focuses on providing comprehensive learning and development opportunities tailored to both our business needs and those of individual employees. Every two years, we conduct a thorough training needs analysis involving our Talent Development Department, HR Business Partners, and Business Leaders to set priorities aligned with our strategic objectives. The feedback we collect from our employees and leaders helps us measure the effectiveness of our training programs. In line with the strategy, new hires undergo extensive onboarding that covers company values, department functions, and product knowledge, with specific training for retail staff on client interaction and data privacy. Newly appointed managers receive additional training on people management, emotional intelligence, leadership, and unconscious bias, ensuring fair decision-making processes.



Hop On Yettel

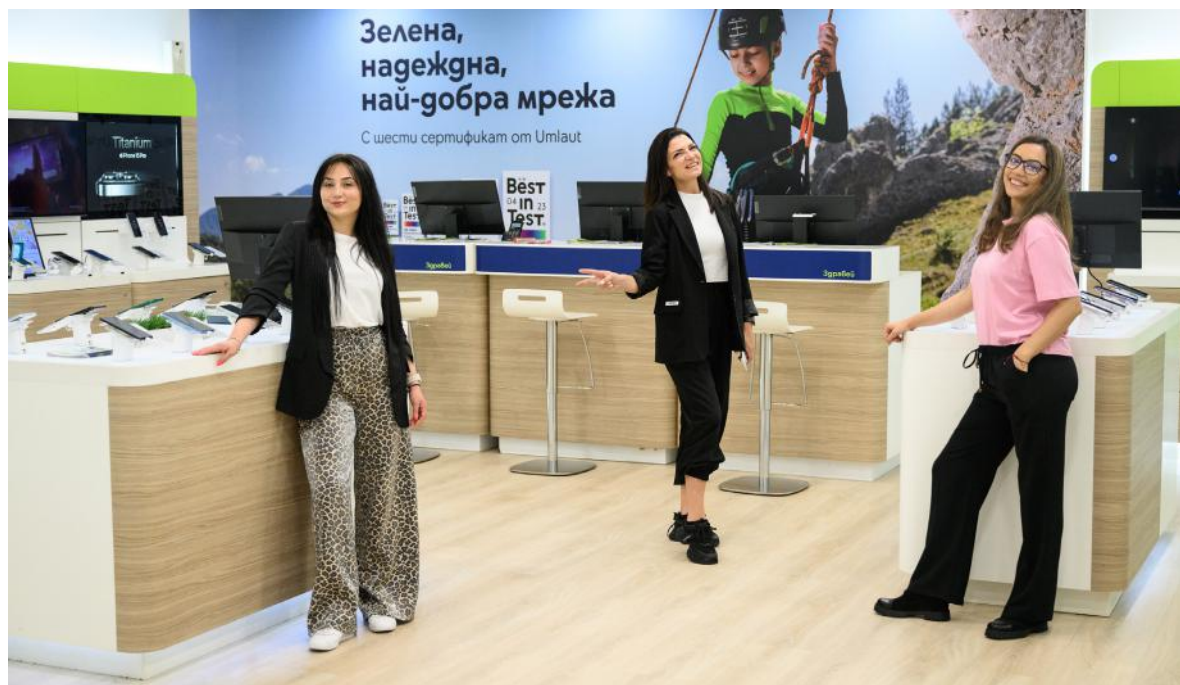
Every new colleague at Yettel, besides those joining our store network, must go through our newly introduced onboarding program Hop On Yettel. The program provides the new employees with the opportunity to meet representatives from different business areas within the company and understand more about their roles and responsibilities and about current important strategic activities and projects, but also about our culture. Hop On Yettel takes place every 2 months, with a total of 6 cycles running throughout the year. Each cycle consists of a total of 3 separate days or modules. Day 1 and Day 2 modules are held in our central office in Sofia, while on Day 3 the new colleagues get to spend a day at one of the Yettel stores and understand more about the way we do our business, focusing on our customers.

Induction for Yettel Store Employees

In addition to the Hop On program, there are also regular training sessions for all employees starting work at one of Yettel's stores, which take place every two weeks. The employees complete this training in hybrid mode, going through digital courses, as well as live training programs. The in-person training, which lasts three days, includes a special Sustainability module where new employees learn about our strategy, goals, initiatives, and best practices they can implement in their day-to-day work or share with customers to support Yettel's ESG ambitions.

Interviewing Skills Training

We took further action to equip our current and future managers with other much-needed skills for their roles and responsibilities. Every year, we organize a two-day training focused on developing interviewing skills for employees in managerial roles. Amongst other things, the learning objectives of the training include formulating appropriate interview questions while avoiding inappropriate or discriminatory inquiries, focusing on candidates' skills, developing strategies for managing challenging candidate interactions effectively throughout the interview, and exploring alternative assessment methods beyond the interview to ensure comprehensive candidate evaluation.



Trainings tailored to our employee needs

The training needs assessment we conducted in 2022 revealed three key areas of focus based on the overlapping needs identified across the company: **Excel and data analysis, presentation skills** (including preparing presentations in PowerPoint and public speaking), and **leadership development**. Our leadership

development efforts aimed to enhance skills such as assertiveness, change management, wellbeing, and managing diversity within teams. These areas served as the foundation for developing targeted training programs.

DataLab: Excel and Beyond Academy

We created specialized courses tailored to different skill levels in Excel, ranging from beginner-level courses all the way to advanced-level courses.

When it comes to the beginners, our colleagues organized two online sessions showcasing essential functions used within our company. These sessions, accessible to all employees, attracted a record number of about **500 participants**. Additionally, volunteers from these sessions offered situational Excel support to their peers. For more advanced users, we partnered with ITraining to conduct a one-day session titled 'The Most Useful Functions,' attended by **30 employees**. The recording of this training is now available to all employees on our SharePoint.

Presentation Art Academy

Our Presentation Art Academy pays special attention to the development of presentation skills. The Academy offerings are divided into two directions in accordance with the learners' level of knowledge. The first set of training sessions focuses on the use of Microsoft PowerPoint and other popular tools for creating well-structured and visually appealing presentations.

The second type of training sessions aims to teach our employees the art of presenting well, including how to effectively communicate through various methods for the successful transfer of knowledge and engagement with the audience. These methods include virtual workshops, classroom instructor-led learning groups on-site, and a storytelling masterclass.

Retail Leadership Program & The Path to Leadership

We launched a comprehensive Leadership Program tailored for all shop managers. The main objective of the program was to upgrade and align all shop managers with current management trends in managing diverse teams, including topics such as communication, delegation, assertiveness, feedback, motivation etc. From June to November 2023, **all 200 shop managers** in Bulgaria **successfully completed the program**. It consisted of two classroom modules, with transfer sessions between them, along with on-the-job tasks to reinforce learning.

"The Path to Leadership" is our comprehensive program for new managers at the headquarter. Completely updated in 2022, the program consists of various interventions, including a Personal Assessment test and five classroom modules (developed so far) that cover not only basic management topics but also actual themes such as diversity, assertive communication, and resilience. The program includes mandatory meetings with direct managers and HR business partners, as well as feedback sessions to share opinions and expectations. These interventions are designed to help new managers effectively assimilate knowledge and apply it in practice. Launched in 2023, the program **currently supports 29 new managers** on their journey to becoming better leaders for their teams.

Mentoring program

The concept of our mentorship program came from a dedicated team of employees who participated in the Yettel Ideathon Challenge in 2022. Leveraging insights gathered from our managers, various workshops, past experience from other organizations, and guidance from experts and consultants, we aimed to cultivate a dynamic mentoring culture within our company. The primary objective of this initiative is to emphasize the benefits of mentoring as a powerful tool for knowledge sharing, personal and professional development, employee retention, and motivation.

To commence, we initiated a pilot version of the program and extended priority invitations to top performers to join as mentees. The mentors volunteering for the program included C-level managers and directors. **Twelve mentorship pairs successfully completed the program, with seven more pairs currently underway or in the early stages.** Overall, participants have reported significant results and personal transformations, generating increased interest within the company.

Given the positive reception, we have expanded the program in 2024 to make it accessible to all employees. We have built a communication campaign to raise awareness about what mentorship is and the roles and responsibilities of mentors and mentees. We promote a culture of internal knowledge sharing and proactive development.



Project Management Academy

Our Project Management Academy is a program designed to develop the skills of selected participants to effectively manage large-scale projects. For the 4th consecutive year, the Academy provided our colleagues with the opportunity to solidify their existing knowledge and build further understanding of project management theoretical approaches, as well as the company's own practices. What is special about the program is that it has a deep focus on the Yettel's project management model and helps participants improve their skills in the practical application of our PM model.

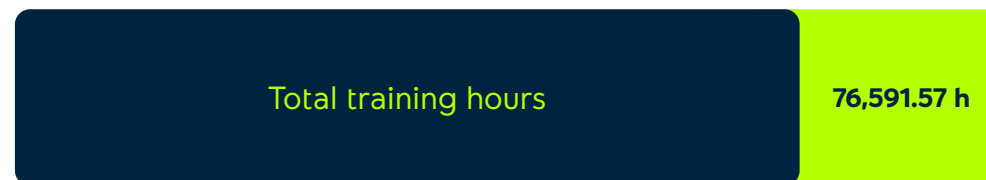
In 2023, 7 mentors joined the Academy's team to provide further support and assistance to all graduates and any future participants in the program. The target audience of the Academy consists of colleagues new to project management and those already experienced in small to medium projects. To become a part of this program, directors or managers must nominate members from their department based on their needs. These nominations are then reviewed and approved by the respective Chief of the department.



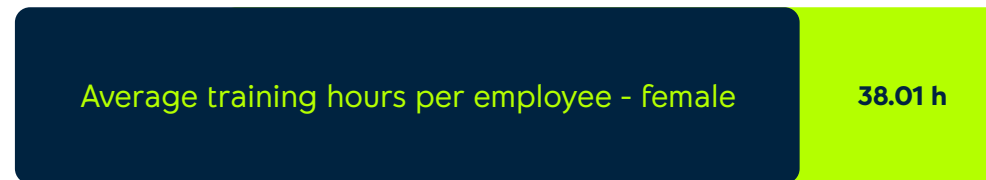
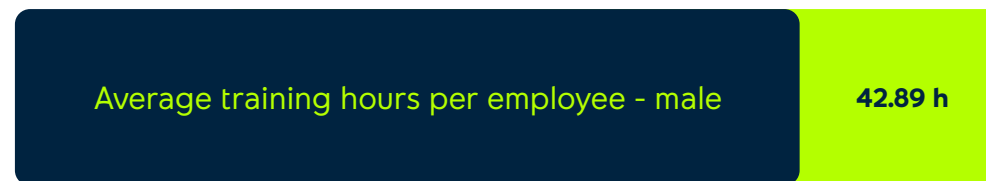
Training title	Main aim
Coaching Skills for Mentors	Preparation for mentors as part of the above program
Train the Trainer Training	Specific training for call center and retail trainers & coaches
Conflict Management Training	Specific training for the Managed Services Team
Additional 34 unique trainings on various topics	Some of the most attended trainings are: "Present to Succeed Conference"; "SQL Fundamentals"

The above-mentioned trainings represent our offering of **voluntary upskilling opportunities** that are made available to all our employees and represent in **total 18,415.5 hours** for 2023.

In contrast to that, our trainings on data privacy & security, health and safety, ESG, and others, are mandatory trainings that all our employees are obliged to undergo. The total hours spent in training in 2023 - both mandatory and voluntary, amount to 76,591.57 hours.



Average training hours in 2023



* Hours per employee are calculated based on FTE.

Considering all training programs throughout 2023, we invested more than **447,955.99 BGN** in learning and development of our employees.

3.3 Occupational Health and Safety

Material topic:
Occupational health and safety



Ensuring the safety and wellbeing of our employees is a top priority, and we actively promote compliance with workplace safety requirements. To reinforce this commitment, we implemented our **Occupational Health and Safety Management System** in 2017, ensuring its permanence. Our Health and Safety Policy outlines procedures for identifying hazards, assessing risks, and preventing accidents and occupational diseases. This comprehensive system, comprising manuals, measures, and programs, applies to all employees and aligns with **ISO 45001:2018** standard.

We systematically assess hazards, conduct risk assessments, and implement necessary measures in line with safety standards. Additionally, we address risks and opportunities within our organizational context and comply with legal requirements. Our occupational health services offer support, consultations, and training to promote healthy and safe working conditions, focusing on prevention, health promotion, and stress management. Regular medical checks further contribute to disease prevention.

The management and OH&S team rigorously monitor and approve processes, procedures, and projects related to occupational health and safety. Regular meetings involving Health and Safety committees facilitate discussions on pertinent topics, fostering a culture of safety awareness. We have established accessible channels for reporting risks and suggesting improvements, encouraging employee engagement in safety practices.

Our comprehensive training system, outlined in a detailed manual, ensures compliance with local laws and our Health and Safety program for both company employees and subcontractors. This structured approach guarantees timely and effective training implementation across the organization.

Work-related injuries and ill-health

Indicator	Number
Number of fatalities	0
Number of injuries	0
Total days lost due to injuries	0
Total days of sick leave	16,535*

* Days of sick leave compared to 396,658 workdays in total for the year

Employee wellbeing

We prioritize mental wellbeing as much as physical health, actively advocating for its importance and providing robust support to our employees. As part of our comprehensive wellbeing program, we offer various initiatives aimed at enhancing health education and promoting positive lifestyle changes. These efforts not only boost motivation but also improve overall performance among our team members.

To spearhead these initiatives, we have established a Balance Crew comprising of dedicated employees who voluntarily organize and coordinate wellbeing activities. Additionally, our benefits program encompasses a wide range of initiatives focused on both physical and mental wellness.

Recognizing the significance of mental health, we have made it a priority to offer access to psychologists for our employees at any time. This proactive approach underscores our commitment to addressing mental health concerns and ensuring the wellbeing of our team members. To meet the needs of all our employees on this topic, we conduct wellbeing surveys and focus groups with employees and managers to review the employee lifecycle. Additionally, we hold quarterly Health and Safety Committee meetings and conduct reboarding surveys on the 1st and 6th months for those returning from long-term leave.



Based on the received feedback, in 2023 we reviewed our wellbeing approach with a focus on employee needs in different life stages - from starting a family and raising children to pre-retirement phase. Last year, the Balance Crew organized new and exciting initiatives aimed at enhancing employee wellbeing, fostering team cohesion, and promoting a healthier lifestyle. Some of these initiatives include **weekly Bulgarian folk dance sessions** at the office with over 60 participants, **yoga classes**, **functional workouts**, as well as the **"Adventurers' League"** - a team competition in nature involving nearly 200 employees, and a **stair-climbing challenge** to see who could climb the most steps daily over a month, resulting in a total of 14,722 floors climbed.



Balance Crew Activities and Calendar		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Psychological support 	Women and men in the modern business world		✓										
	Session: "Fears - How to Cope?"					✓							
	Social Influence										✓		
	STRETCH - Lecture with Ivaylo Kunev						✓						
Personal Finance 	Expectations from Financial Markets for 2023	✓											
	Investments											✓	
	Lecture with Iliya Markov		✓	✓									
Health & Other 	Session with Dr. Lyudmila Emilova			✓									
	Healthy Eating with Vita Rama							✓					
	Prevention of breast cancer										✓		
	Health and Safety Month				✓								
Sport/collective activities 	10,000 steps					✓					✓		
	Adventurers' League						✓				✓		
	Stair-climbing challenge											✓	
	Cycling tournament									✓			
	Table Tennis				✓					✓			
	Tennis tournament										✓		
	Ski afternoons	✓	✓	✓									
	Run2Gether					✓							
	WizzAir Marathon									✓			
	Business Run						✓						

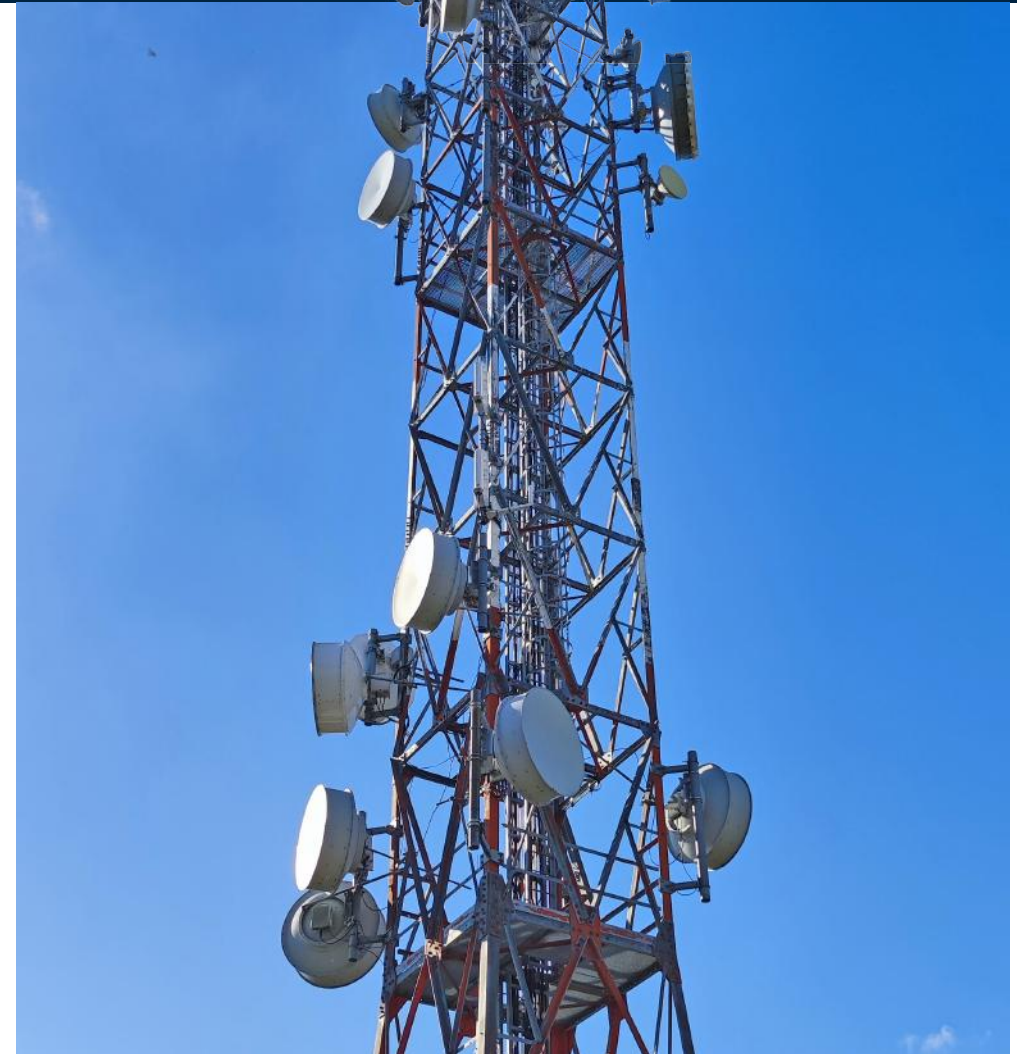
3.4 Mobile telecommunication technologies and public health

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 which is often addressed by the public are the electromagnetic fields, which are being transmitted and received by the mobile telecommunication technologies. However, the 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 and the mobile devices we sell do not exceed those levels, which are defined by the International Commission on Non-ionizing Radiation Protection (ICNIRP) - an independent advisory body that works in collaboration with the World Health Organization (WHO).

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



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:



Level 1

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.



Level 2

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 the 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 2023, not a single non-compliance with the local and EU regulations regarding our products and services have been identified.

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

0

3.5 Charitable and social investments

Material topic: Local communities

We understand that our responsibility as a company goes beyond our employees and customers and extends to any stakeholder group that might be affected by our business. Considering our significant reach, we recognize that, with the right approach, our actions can greatly benefit our local communities. Our aim is to foster a culture of social responsibility and sustainability among our employees, aligning with our mission to serve others. To achieve this, we've set a goal to involve our employees in volunteering efforts.



Volunteer work

Throughout the year, Yettel's employees dedicated a total of 894 working hours to different community service activities:



OUR GOAL

Reach at least 1,000 working hours per year dedicated to community service.



Nature protection, including planting trees, cleaning and enriching green spaces



Supporting stray animals by taking care of homeless dogs



Helping people in need by preparing items for charity bazaars, packing and distributing humanitarian aid

Charitable donations

As a company committed to making a positive impact, we view charitable donations as a means to meet our social and ethical responsibilities to our communities by supporting and sustaining the larger ecosystems that we're part of and by enhancing societal wellbeing.

Together with the BCause Foundation, Yettel offers its employees the opportunity to regularly support various causes through payroll giving. In 2023, the funds raised amounted to BGN 2,685. Furthermore, several donation campaigns were organized in order to support certain employees or organizations in need, as a result of which our employees raised a total of BGN 8,480.

In addition, Yettel employees participated in two blood donation campaigns - in spring and autumn, organized with the help of the National Center for Transfusion Hematology.

Among Yettel's partners for the volunteer program are:

- The Council of Refugee Women in Bulgaria
- Dechitsa Foundation
- Maiko Mila Foundation
- Bulgarian Food Bank
- Shelter for Stray Dogs "Every Dog Matters"
- Vitosha Nature Park
- Sofia Municipality (through the project "Sofia's New Forest")
- bTV (through the project "Let's Clean Bulgaria Together")
- Concordia Foundation

Charity bazaars

With the support of our employees, a charity **Easter bazaar** was organized, where handmade products and food prepared by Yettel employees were offered. With the collected funds we were able to support five foundations - the Cookies Workshop, Jamba, the Pulse Foundation, the Concordia Atelier and Our Premature Children Foundation.



ESG awareness campaigns

We believe that people are as engaged about a certain topic as informed they are about it. When it comes to sustainability, being informed about a certain topic is a crucial first step towards engagement and change of habits in a more sustainable direction. This is why we prioritize raising awareness about sustainability and invest heavily in that direction.



OUR GOAL

Reach 2,500,000 people yearly through campaigns raising awareness on sustainability topics.

Yettel's Green Cause

In 2023, we also launched "The Green Cause" - a monthly newsletter with 671,745 subscribers as of June 2024, which helps consumers lead a more sustainable and eco-friendly lifestyle by providing them with practical tips for their day-to-day activities. The participants in the "Green Cause" initiative regularly receive interesting information through the Yettel app. This information not only covers recycling of old electronic devices, but also provides practical tips for extending the life of mobile devices, sensible use of electricity, incorporating smart solutions that support the circular economy into their daily life, planning sustainable travel, and more.



Yettel Recycler

Yettel Recycler is another initiative we created to address the need to recycle old devices. The Recycler is a mobile interactive installation designed as a huge cabinet - a reference to the old cabinet that everyone has in their home, where we store our old devices. We positioned it in central locations to reach thousands of bypassers bringing the message about the importance of recycling across.

The installation consisted of an e-waste composition, a "Museum of e-waste", a dissection of an iPhone, iconic phone models from the past decades, and a "cable man" made of 350 meters of cables that invites visitors to take pictures with him. Inside the installation, visitors are immersed in a 270-degree projection that tells about the entire path that electronics travels - from mines for valuable resources to landfills, and how important it is for these devices to not go back into the environment but to become part of the circular economy.

In March 2024, the installation was placed for two weeks at St. Nedelya Square in Sofia to mark the International Recycling Day. By the end of July, it visited the city of Plovdiv and three other locations in Sofia, including Sofia Ring Mall, Sofia Tech Park, and Business Park Sofia.



Results from March to July 2024:

People who saw the installation in person: **218,000**

Reached through social media and traditional media: **800,000**

Collected kilograms of electronic waste: **1,040 kg**

Based on all our initiatives, including Yettel's Green Cause newsletter, the advertisement of Yettel's Green Cause, social media engagement and PR activities, we reached **2,908,343** people on the topic of sustainability in 2023.

Accelerating technology for a sustainable future



At Yettel, we wholeheartedly recognize the transformative power of technology in shaping the future of our industry. It is not just about providing connectivity - it is about leveraging innovative technologies to revolutionize how people communicate, connect, and interact with the world around them. For us, technology is not just a tool - it is the foundation upon which we build exceptional experiences for our customers. It is what enables us to deliver lightning-fast data speeds, reliable network coverage, and cutting-edge services that meet the evolving needs of our users.

We understand that staying ahead in the telecom sector means embracing new technologies like 5G, IoT, and AI. We see these advancements as opportunities to redefine what is possible and unlock new levels of connectivity and convenience for our customers.

But technology is not just about innovation - it is also about responsibility. We recognize the importance of maintaining robust cybersecurity measures and adhering to strict regulatory standards to ensure the privacy and security of our users' data, but also educating our customers and the broader public about these topics.

In essence, technology is at the heart of everything we do. It is what drives us to push the boundaries of what's possible and deliver experiences that truly make a difference in people's lives.

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 minimizing harm



Safeguarding cybersecurity, digital, and personal data

4.1 Tackling the digital divide by providing reliable connections to all

In today's tech-driven world, having access to internet and telecom services is so crucial for people's social inclusion that it can almost be seen as a basic human right. These services enable us to connect with each other but also link us to job opportunities and markets, both locally and globally. Without this connectivity, our lives would be seriously disrupted, way more than we could have imagined in the past.

Digital inclusion and coverage affect numerous aspects in people's lives such as their privacy, education, political involvement, work, and so much more. As a telecom company, we see it as our responsibility to use our tech expertise to connect people, bring communities together, and support businesses. Our goal is to make sure everyone has reliable internet access by improving and expanding our networks in line with PPF Telecom Group's commitment to support the EU in ensuring access to reliable internet for all European households by 2030.

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

Material topic: Digital inclusion and coverage

In line with our goal to make 5G connectivity available to 85% of the Bulgarian population, Yettel and CETIN began deploying our 5G network in the country in the second quarter of 2021. As a result, out of the total of 3,250 base stations, currently **more than 1,400 have 5G C-band connectivity installed**, covering nearly 70% of the population. This provides a mobile broadband service with download speeds of up to 1.6 Gbps. The majority of our 5G stations operate on the C-band frequency.

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



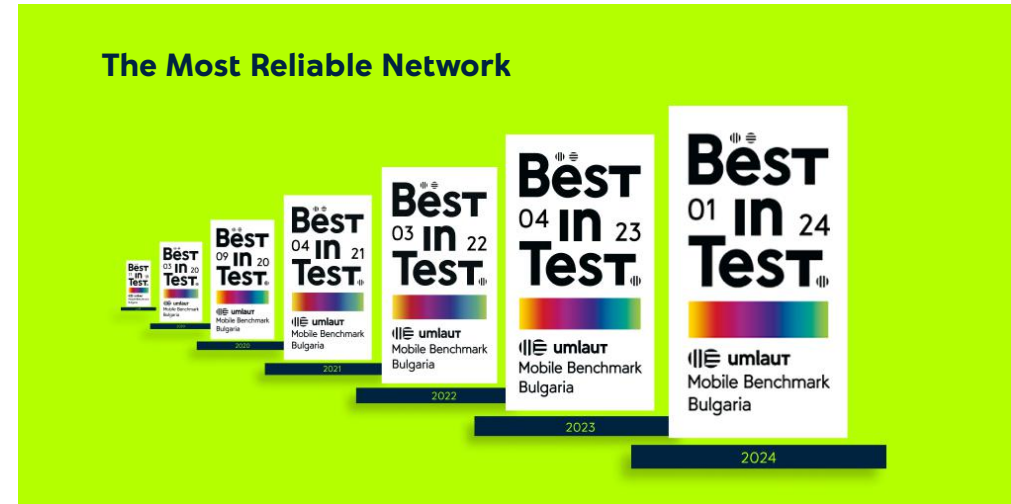
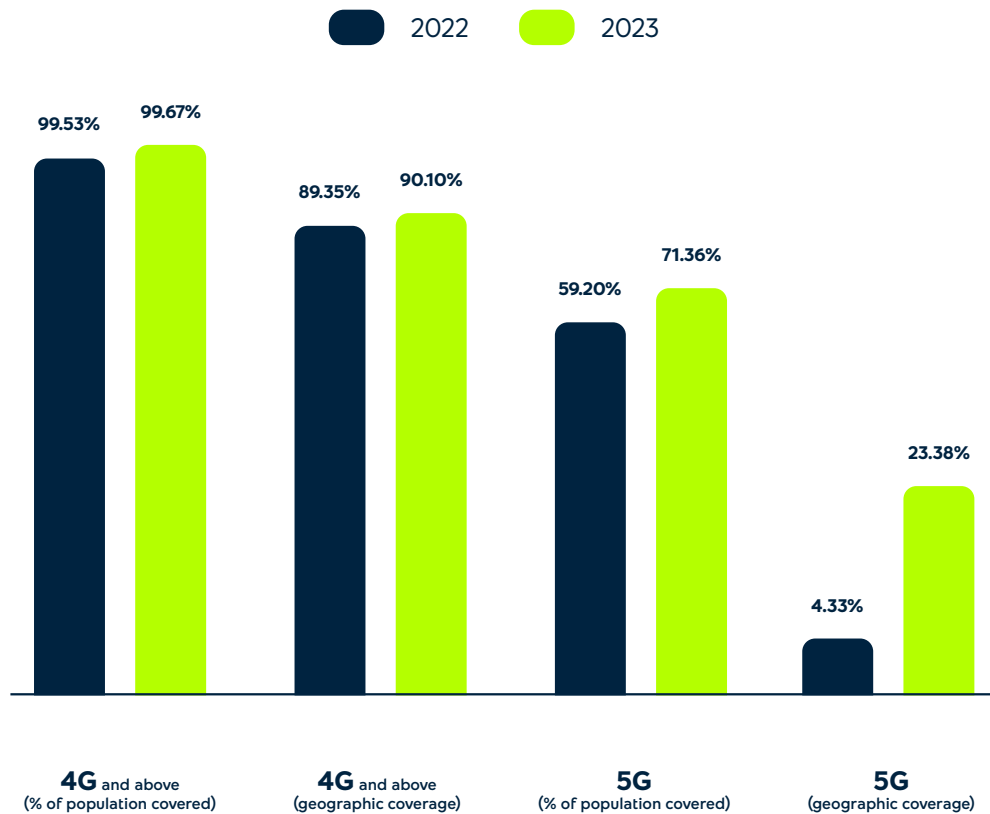
OUR GOAL

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.

These efforts have significantly expanded our coverage for both 4G and 5G networks, enabling us to make substantial progress toward our goal of connecting all Bulgarian citizens. Explore an interactive map of our entire network coverage by visiting the provided [link](#). The current coverage statistics for our 4G and 5G networks can be found in the table below.

Total network coverage of our 4G and 5G networks for 2022 and 2023



At the beginning of 2024, Yettel's network was awarded the Best in Test certificate in Bulgaria for the seventh consecutive year. We were recognized as the most reliable network by the independent benchmarking organization umlaut. With a total of 926 out of 1,000 maximum points, Yettel achieved the best result among all mobile operators in our country. The telecom is rated best in all four key subcategories - reliability, coverage, voice and time delay. The umlaut assessment not only ranks us first in the country, but also places our network among the highest-rated in Europe and the world. In 2023, the telco's 5G network coverage exceeded 70%. This contributed to its strong performance in the reliability criterion, achieving 492 out of a total of 523 points. The assessment highlights that Yettel's customers not only enjoyed extensive coverage but were predominantly served by the latest technologies - 4G or 5G - most of the time. Excellent coverage is complemented by high-quality voice services - approximately 70% of all calls are made via VoLTE, ensuring crystal-clear call quality. Consecutively, Yettel leads in the voice subcategory, achieving the highest rating.

4.2 Promoting digital education and awareness

In Bulgaria, the issue of digital literacy among young people is increasingly important as technology plays a bigger role in education and daily life. A gap in the digital skills of the young generation can have significant consequences such as unequal chances in education and limited job opportunities later on.

But digital literacy and awareness is not just about education - if people, and especially young people and children, are not educated on the topic, they can be increasingly exposed to potentially harmful content and practices online, but are also at risk from cyberbullying and scams. With children spending more time online these days, the chances of encountering these risks are even higher. A recent survey that we conducted on the topic of children safety online shows the worrying results that **50% of the children in Bulgaria have come across inappropriate content on the internet**. Another concerning trend is that **more than one third of the surveyed children do not know how to protect their devices from viruses**. These results further highlight the importance of raising awareness on the topic both amongst children and their parents, which is why we dedicate a lot of effort to promote online safety and digital education through different campaigns and projects.



OUR GOAL

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

Safe internet and digital skills development

The Digital Scouts app is a project of Yettel that has been running since 2020 and is 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 ability to evaluate the reliability of information. Topics covered include online bullying, password security, identity theft, phishing, and more. In 2023, our quiz on safe online surfing in the Digital Scouts app **reached almost 5,000 children**.

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



Yettel. | DIGITAL SCOUTS

In addition to that, our partners from **SafeNet** and **Klett Bulgaria** - a leading educational publishing house in our country, developed digital lessons for children from 1st to 4th grade about the dangers of the internet, which were then taught by over **400 teachers** to more than **9,000 children** in schools across the country.

We also launched the project **“Digital Skills in the Era of Artificial Intelligence”** as a joint initiative with the **Teach For Bulgaria** foundation for equal access to quality education and its website prepodavame.bg. As part of the project, we organized a webinar for high school teachers, 3 online modules, and a challenge for the teachers to organize their students in groups and engage them in project-based learning, through which the children demonstrated their knowledge and critical thinking when it comes to the trendy topic. The initiative engaged almost **9,000 high-school students** and their teachers.

Another project that was set in motion last year was the rollout of **2 social media campaigns** that were organized together with social media influencers that are popular among adolescents. Supported by the experts from **SafeNet**, the influencers created educational and entertaining content on topics such as “Online Bullying,” “Fake News,” and “Online Dangers”, reaching over **33,400 young people**.



In 2023, Yettel's program for Online Safety and Digital Literacy achieved the following results:

Engaged **47,812** children on the topic of Online Safety

Enhanced the digital skills of **12,212** individuals

In June, we also took part in the **“Hello Space”** youth science festival where volunteers from our Data Privacy and ESG teams used interactive games and installations to engage the youth and children to experiment and test their knowledge about data privacy, online threats, and their ability to differentiate fake and regular news.

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

Material topic: Innovation, research, and development

Through ongoing innovation, the telecommunications industry has made a significant positive impact by enhancing connectivity, facilitating smart city initiatives, enabling remote work arrangements, championing sustainability, and improving accessibility. These advancements have not only elevated individuals' quality of life but also bolstered environmental sustainability, fostering the shift towards a more digitally connected and eco-friendly world. Despite considerable progress in technological achievements, urgent societal and environmental issues demand continual refinement and the creation of innovative, advanced technological solutions.

As a leading company in the telecom industry, we are committed to developing innovative solutions that benefit both people and the planet. By utilizing innovation as a driving force, we aim to push boundaries, harness emerging technologies, collaborate with stakeholders, and consistently strive for improvement.



OUR GOAL

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



IoT Program

We utilize the vast possibilities of IoT (Internet of Things) to develop innovative, customized solutions for our clients that meet their needs. IoT solutions can also help businesses adapt much more easily to the increasingly frequent changes in regulations and to the requirements of the market itself.

In 2023, we launched several IoT solutions for our clients to help them increase their efficiency, improve safety and mitigate business risks.

Smart Fleet Management

Smart Fleet is an E2E solution we developed for the public transport sector, allowing the visualization of valuable fleet data in real time, including details about location, drivers, vehicles, routes, traffic, and weather conditions. This real-time data, when combined with extensive historical data, becomes the catalyst for predictive and highly precise analytics. Armed with this knowledge, fleet managers can both save costs and enhance customer service by reducing fuel consumption, minimizing downtime, automating maintenance schedules, and enhancing safety measures - thereby meeting insurance requirements more effectively.

Our partnership with the **Rozhen Express** transport company, which started as a pilot project, is an example of the advantages of the Smart Fleet Management solution. The company's buses operating on city routes in Smolyan are equipped with GPS trackers and various sensors, reporting the temperature in the passenger department, the driver's behavior and the traffic conditions. This service enhances connectivity between vehicle systems and personnel, providing increased security and control. Simultaneously, offering this service supports our Sustainability strategy. By providing sustainable technological solutions, we assist businesses in optimizing costs and managing processes with greater transparency and responsibility towards society.

IoT Cold Chain Monitoring

The second service we piloted in 2023 is the IoT Cold Chain Monitoring, which combines different sensors that allow the monitoring and management of an environment of temperature-sensitive packages to prevent spoilage and waste along the supply chain. These services not only allow our customers to reduce their costs, but also have a valuable contribution to the responsible and efficient use of resources.



100 National Tourist Sites in the Yettel app

Since September 2023, the initiative of the Bulgarian Tourist Union - the national movement "Explore Bulgaria - 100 National Tourist Sites" - can now be accessed in a digital format through the Yettel mobile application.

The movement aims to familiarize tourists with the most fascinating mountains, natural and historical landmarks, museums, and monuments by collecting stamps from each site.

This innovative project allows participants to receive digital stamps, equivalent to traditional paper stamps, directly through the Yettel mobile application. Access to all services is entirely free, making Yettel the first operator in Bulgaria to open its mobile application to all users across the country.

The Yettel app features **profiles of all locations**, providing visitors with essential information about each tourist site. Thirty of these locations are **enriched with captivating audio stories**, and ten feature **compelling video stories created by talented Bulgarian artists**. These videos offer brief narratives and interesting facts about the sites, specifically produced for this project, with plans to gradually include more. The initial stories focus on some of Bulgaria's most popular and frequently visited destinations.



4.4 Safeguarding cybersecurity and personal data

Material topic: Cybersecurity and privacy

We at Yettel prioritize fostering a safe and secure online environment. We recognize our responsibility to our customers in safeguarding their personal data, ensuring confidentiality, integrity, and the uninterrupted continuity of our services. Upholding online safety has always been central to our operations, and we continuously strive to establish the highest standards in protecting user privacy, enhancing data security, and promoting responsible online behavior.

This is becoming especially important now that the threat of cyberattacks targeting individual users is growing in both scale and complexity. These attacks are becoming increasingly sophisticated, posing challenges for users to detect and defend against fraudulent activities. Moreover, concerns about data breaches compromising personal information are on the rise, exposing individuals to various risks. Consequently, it is crucial for organizations like ours that handle large volumes of personal data to implement stringent security measures.

Our compliance with strict guidelines and leading best practices are verified by the certifications held by Yettel:

- the IT Service Management System is certified as per **ISO/IEC 20000-1:2018**.
- the Information Security Management System is certified as per **ISO/IEC 27001:2013**,
- the Privacy Information Management System is certified as per **ISO/IEC 27701:2019**



Cybersecurity and Information Security Management System

Our Information Security Management System is in compliance with ISO 27002, covering all technological domains and providing policies and technical controls accordingly. Within the scope of the system, particularly in the Local Security Manual, specific requirements govern the management of supplies. These include organizing remote access, organization and technical security prerequisites, and adherence to the company's overall supplier management policy. For all contracts, the company must evaluate the value and applicability of the relevant measures and obligations, including, but not limited to:

Commitment to a set of requirements based on international standards such as ISO/IEC 27001 or similar, with or without warranty from third parties.

Right of the company to carry out or require security audits, regular security tests and vulnerability scan results.

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

Business continuity requirements remain consistent and related to the company's plans, where applicable.

Secure 5G Network



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.

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 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 an easy and reliable traceability of operations.

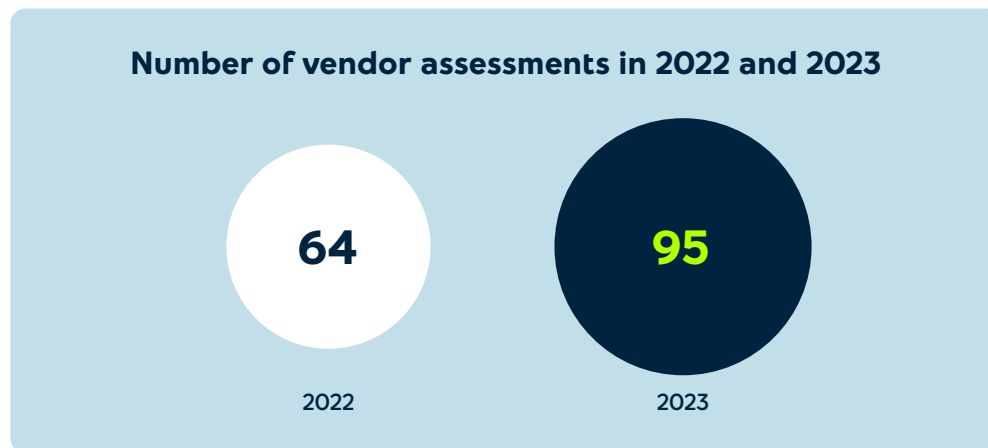
As a company that provides publicly available electronic communication services, Yettel Bulgaria is subject to strict data retention laws which apply in addition to GDPR. We follow a strict data retention schedule which specifies the useful life of the processed personal data. After the expiry of the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

Management of customer privacy and data protection

In 2023, we successfully passed our annual internal and external audit and continued our certification under **ISO 27701**. This underscores our dedication to maintaining a robust privacy information management system that adheres to international standards and bolsters our commitment to operational excellence in the area.

Recognizing the criticality of privacy compliance throughout our supply chain, we intensified our efforts in this area.

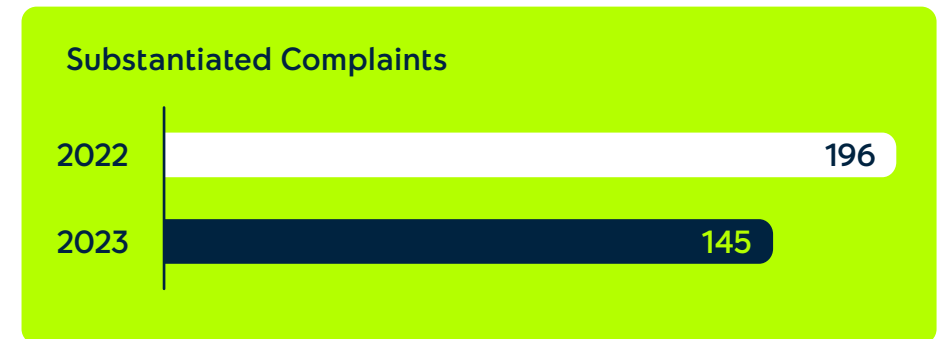
In 2023, we conducted 95 vendor assessments, a substantial increase from the 64 assessments carried out in 2022.



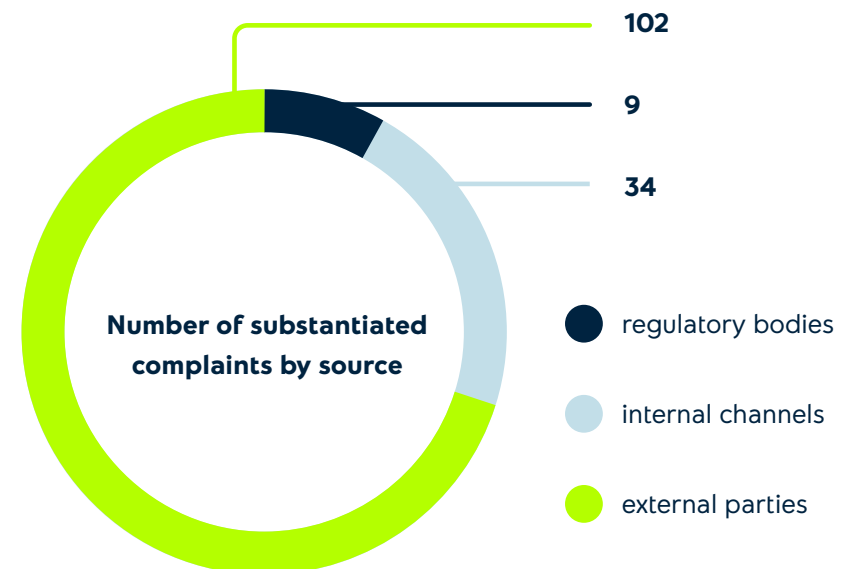
This rigorous due diligence process ensures that our vendors and partners align with our high standards of data protection and privacy.

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 raises these issues with the company's CEO as needed.

In 2023, we received a total of 145 substantiated complaints regarding breaches of customer privacy.

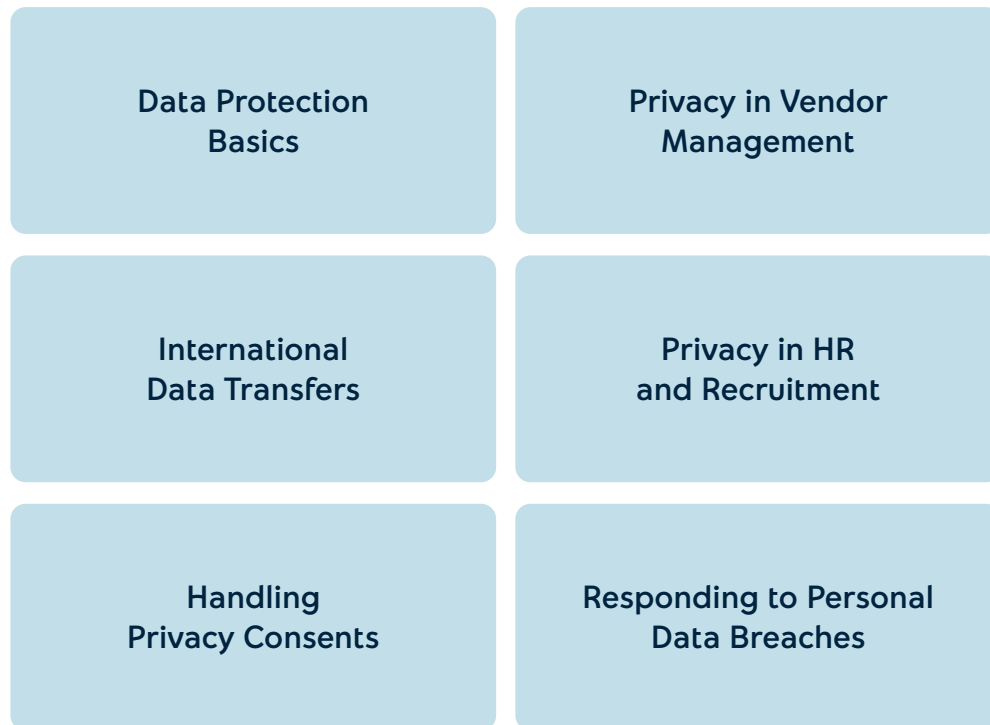


Nine of those complaints were filed by regulatory bodies, 34 were initiated through internal channels, while the remaining 102 originated from external parties:



We treat all privacy-related complaints with the utmost seriousness and continually strive to enhance our practices where necessary. We consistently evaluate and implement numerous technical and organizational measures, guided by a risk-based approach, to prevent and address breaches of customer privacy. Some notable measures include implementing stricter identity verification processes across sales, customer service, and digital channels; providing ad-hoc notifications for significant events such as contract signings or device leases; requiring additional authentication for sensitive transactions; imposing severe disciplinary measures for employees who violate privacy policies; and maintaining ongoing monitoring of potential threats and risks to customer privacy.

We believe in empowering our employees with the knowledge and skills to support our data protection objectives. **In 2023, we launched six new online training modules, as follows:**



These modules were designed to provide practical insights into various aspects of data privacy and our policies. Our employees dedicated a total of **1,453 hours** to these trainings, demonstrating our collective commitment to continual learning and improvement. Additionally, all our employees have access to online resources and guidelines on handling personal data.

We discovered **no** reportable personal data breaches in 2023.




Acting with integrity and transparency

Promoting sustainability as an integral part of Yettel's strategy


We are convinced that aligning our Sustainability strategy with our business goals and long-term growth relies heavily on the active engagement of our employees in our ESG initiatives. Thus, we focus our efforts on educating and enlisting the participation of our key stakeholders - both internal and external, to engage them in our sustainability mission.

ESG Trainings


We have continued our good practice of introducing all our new employees to our Sustainability strategy via compulsory **induction training sessions**, highlighting the importance of sustainability as an integral part of Yettel's business. During the year, we have introduced an **ESG e-learning program** with 5 modules covering different aspects of ESG, and 2 of the 5 modules have been successfully launched towards the end of 2023. The full course was launched and completed by our employees by June 2024, with the following results:



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.

Successfully completed the course



90.5% *

- employees
- senior management

*The percentage calculation excludes employees on long-term leave.

ESG Training for our senior management

In addition to that, in May 2023, **82% of our senior management** took part in a training, specifically designed for them by our partners from PwC Bulgaria, which covered the topics of setting and implementing a sustainability strategy and sustainability reporting. Topics such as our decarbonization strategy and efforts or good examples of circular economy practices were also touched upon during the training. Furthermore, we have addressed the importance of assessing and monitoring the social impact of our company, and in that regard, our role as a safeguard of the human rights of our direct and indirect employees along the value chain. The goals of the training were to:

Gain an understanding of ESG and its importance

Study the connection between the Yettel brand and ESG

Comprehend how ESG will impact our business activities

Find individual paths to contribute as Yettel leaders

ESG Academy

The ESG Academy is a joint project between Yettel and the **Faculty of Economics of Sofia University "St. Kliment Ohridski"** and has been born out of our ambition to introduce a specific sustainability training for our employees. In 2023, 14 Yettel employees from various departments, working on key roles in the implementation of the Sustainability strategy, enrolled in and successfully completed the ESG Academy. They completed all 7 modules of the intensive course, 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", and "Partnership for sustainable development". The Academy provided the participants with valuable knowledge empowering them to make positive contributions to the achievement of Yettel's Sustainability strategy.



5.1 Corporate governance, business ethics, regulatory compliance

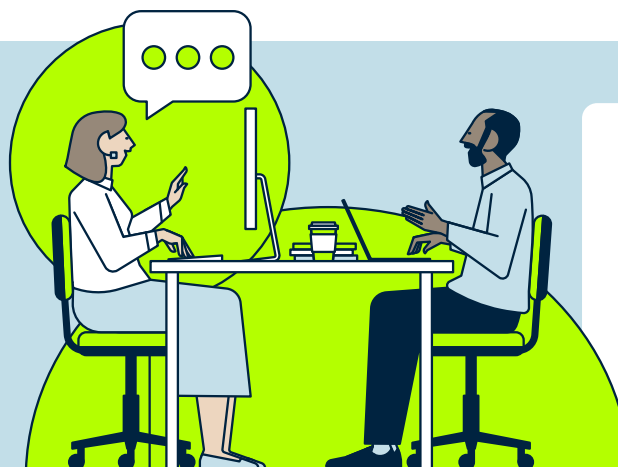
Material topic: Corporate governance & Human Rights Protection

At Yettel, we are committed to upholding the highest standards of ethics, integrity, and professional conduct, and to ensuring the protection of human rights within our sphere of influence. Accordingly, we actively identify and address our impacts on human rights, striving to mitigate risks across our entire value chain. We believe that strong corporate governance and ethical business practices play a crucial role in promoting and safeguarding human rights within the business context. A robust corporate governance framework supports ethical behavior, encompassing fair remuneration, safe working conditions, and non-discriminatory policies, thereby contributing to the protection of human rights in the workplace.

Code of Ethics. Fundamental principles and values

The cornerstone of business conduct at Yettel Bulgaria is the Code of Ethics, adopted by the Yettel Bulgaria Board of Directors. The Code of Ethics applies to all Yettel employees, promotes honest and ethical behavior in the performance of our day-to-day activities. The Code of Ethics is an integral part of Yettel's commitment to applying the highest standards of ethics, integrity and professional conduct. Furthermore, the Code of Ethics provides a framework for interpreting all other internal regulations of Yettel and the PPF Telecom Group.

Yettel rejects all forms of corruption, as it represents a threat to responsible businesses and societies all over the world, it distorts competition and damages reputation. Yettel's success is built on our quality services and our passionate and engaged employees, not on unethical activities.



We welcome the differences in skills, experiences, views and opinions because they enrich our teams. We provide equal opportunity and do not discriminate on the basis of race, color, gender, sexual orientation, age, religion, or other status.

We do not allow forced or illegal labor, physical or mental harassment, intimidation or degrading treatment.

We strive to cooperate correctly and openly with public institutions. We respect their independence and impartiality and never, in any way, try to influence their decisions and procedures in an illegal way.

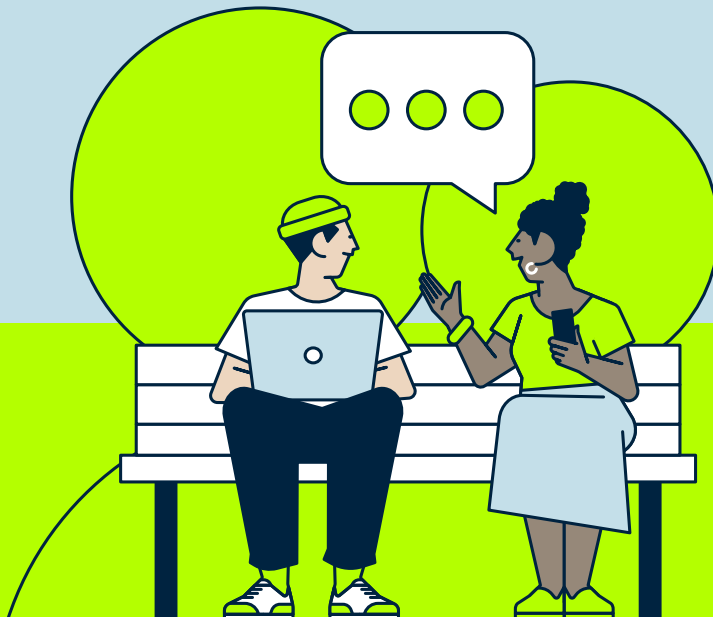
We shall always act in the best interest of Yettel. The decisions we make at work shall be objective and free from any personal considerations. Our investment in other companies, family relationships or friendships with suppliers may influence our decisions at work. If this occurs, our focus is no longer solely on Yettel, and we may no longer act objectively. In such situations, being transparent is the key to building trust and to demonstrating objectivity, by contacting our line manager or the Compliance Officer for advice, questions or concerns. At Yettel, hierarchical relationships involving relatives or individuals in personal relationships are generally not supported. According to the company rules, the Compliance Officer and the director of the relevant area shall evaluate the disclosures of interest.



Furthermore, PPF Telecom Group is now part of the **UN Global Compact (UNGC)**, which is a voluntary initiative that encourages businesses and organizations worldwide to adopt sustainable and socially responsible policies and practices. Launched in 2000, it aims to align business operations and strategies with ten universally accepted principles in the areas of human rights, labor, environment, and anti-corruption. By participating in the UN Global Compact, PPF Telecom Group commits to implementing these principles within its spheres of influence and to publicly reporting on the progress made.

We acknowledge the responsibility to establish, promote, and maintain high standards of social and environmental sustainability and business ethics throughout our value chain, which is why we are committed to and require all our suppliers to comply with the principles set out in the **Supplier Code of Conduct**.

Furthermore, our most important internal document in this area is the **Ethics and Compliance Policy**, which elaborates on the **Code of Ethics**. Like all other internal documents, this policy is easily accessible and prominently displayed on the local intranet and on other internal communication channels. The local Ethics and Compliance Policy governs the prevention and investigation of potential breaches, as well as the giving and receiving of gifts exceeding a specified threshold, and accepting business trip invitations that include covering of travel or accommodation expenses. All such transactions are meticulously approved and recorded in a dedicated internal register maintained by the Compliance Team.



In 2023, we again **assessed two operations for risks related to fraud or corruption** that have been concluded to bear higher risks of fraud or corruption than others - Sales and Sourcing (Procurement) and related business activities.

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 2023, we **conducted three training sessions on anti-corruption**, where ethics and compliance functions and rules were communicated face-to-face for Yettel management, retail, and business sales management. In addition to that, **informational sessions were held** for new-joiners and for shop managers, serving as a reminder on Yettel's policy on bribery, corruption, ethics, privacy and information security.

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

0

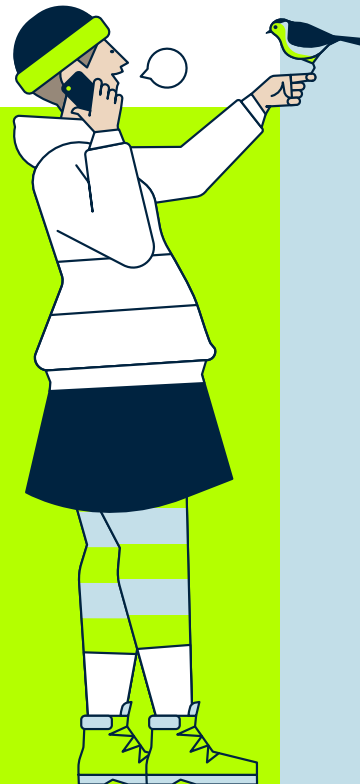
* As in the previous two reporting periods, significant instances of non-compliance are considered cases where an administrative fine at or above BGN 50,000 has been imposed on Yettel Bulgaria by a competent authority.

Grievance mechanism

The ability to report is not just an internal or legal requirement- it is fundamental to ensuring a transparent and accountable corporate culture, as well as an ethical work environment.

That is why, at Yettel, we have established a secure internal reporting channel - a hotline. Anyone can raise a concern or report a potential violation to the Compliance Team in any of the following ways: email to compliance@yettel.bg or to contact the Compliance Officer by phone, or during a personal meeting.

All employees have the opportunity and are encouraged to raise concerns or report on any suspicion of a breach of the Code of Ethics, all other internal rules of Yettel Bulgaria, and applicable legal regulations.



The relevant contact information is visible to all employees on the front page of Yettel Town (Intranet SharePoint), as well as on our engagement application (Digital Office). Also, our internal reporting channel complies with the requirements of the Law on protection of persons reporting or publicly disclosing information on breaches. More information is published on Yettel corporate webpage at <https://www.yettel.bg/for-yettel/ethics-and-compliance-en>.

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.

In 2023, **we received a total of 4 whistleblower cases** 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 2023, the Compliance Team at Yettel Bulgaria **has not received any signals and has not investigated any cases for bribery**. There have also been **zero confirmed incidents of corruption** and **zero substantiated cases of bribery**, as well as zero confirmed incidents in which own workers were dismissed or disciplined for corruption or bribery-related incidents.

5.2 Sustainable supply chains

Material topic: Sustainable supply chains

Our focus is directed not only towards the environmental and social impact resulting from our own operations but also from operations along our supply chain - that of our suppliers. We believe that, as a leading company, we have the responsibility to try and take our suppliers along with us on our sustainability journey, and we try to ensure that we only work with suppliers that are aligned with us on our values, objectives, and standards.

As part of these efforts, in 2023 we finalized our **Supplier Code of Conduct** which helps us meet our responsibility to establish, promote and maintain high standards of social and environmental sustainability and business ethics throughout our supply chain. Yettel is therefore committed to and requires all its suppliers to comply with the principles set out in the Supplier Code of Conduct.

We always conduct an **integrity check of our main suppliers**. This check serves as a risk mitigation measure, helping us identify and avoid potential risks associated with supply chain disruptions, non-compliance with legal and regulatory requirements, unethical practices, and reputational damage.



Integrity due diligence (IDD)

To ensure that our suppliers uphold high 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 risk 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 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 get our suppliers on board on 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.

In 2024, we plan to expand our sustainability policy to include our suppliers further. Suppliers who have already accepted our Supplier Code of Conduct, and are identified as potentially high-risk based on the country they operate in and the type of product or service provided, will be invited to provide evidence of their policies and progress on a digital platform for collecting supplier sustainability data. Through the platform, we will be able to assess the documents (evidence) shared by our suppliers in the following areas:



Environment
and carbon
footprint



Health and
safety



Human
rights



Ethics and
compliance



Anti-bribery
and corruption



Responsibility
in their supply
chain

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, where Yettel also participates in the ESG Committee



Association of the Telecommunication Industry in Bulgaria



Bulgarian Business Leaders Forum



German-Bulgarian Chamber of Industry and Commerce



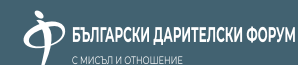
French-Bulgarian Chamber of Commerce and Industry



Bulgarian Association for People Management



Bulgarian Association of Information Technologies



Bulgarian Donors Forum

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)	<p>The R&D of the products we offer is outside of Yettel's control and lies within the scope of our suppliers. 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 solutions that support our clients on their sustainability journey.</p> <p>We are committed to utilize the full potential of IoT in order to create innovative solutions for our clients. To that end, we have developed two new solutions- the Smart Fleet Management solution that offers visualization of real-time fleet data, and the IoT Cold Chain Monitoring which is a service combining monitoring and management of temperature-sensitive packages.</p>
Materials supply	<p>We strive to ensure the integrity of our suppliers before engaging with them as business partners in order to avoid risks and avoid engaging in or supporting unsustainable practices. Certain groups of our suppliers are subject to an Integrity Due Diligence (IDD) screening. Realizing the need for an even more comprehensive supplier engagement, we are currently in the process of creating a supplier engagement plan. We are 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>
Packaging supply	<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. 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>
Main activity/ operations/ network development	<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 ensures that our network is powered by renewable electricity. 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. 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>
Marketing and sales	<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.</p>
Deliver services and products	<p>We sell our products through a network of retail stores. We have direct control on the stores' performance in terms of energy consumption, waste management, etc., and aim to minimize the impact our shops have on the planet. 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>
Consuming services and products	<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. Additionally, through the services of our own repair center, we help our customers extend the life of their devices. 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

The highest governance body at Yettel Bulgaria is its management team, which holds the ultimate responsibility for guiding the company's business strategy, as well as for decision making on and overseeing the management of the organization's impacts on the economy, environment, and people. The body 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

The management team is responsible for setting objectives, overseeing progress, managing human resources and knowledge assets, and assigning responsibilities. The management team is accountable for achieving operational and financial goals set by the PPF Telecom Group, taking into account commercial, financial, and regulatory factors affecting Yettel's business. Regular meetings of the management team take place, where critical concerns regarding the organization's potential and actual negative impacts on stakeholders are discussed, while key stakeholders are kept informed at all times in our attempt to ensure transparency throughout our sustainability journey.

With their extensive experience, the management team members have demonstrated strong leadership skills and expertise in corporate governance, particularly in the telecommunications sector in the CEE region and Bulgaria. Their deep understanding and ability to manage the company's sustainability impacts are invaluable and we are dedicated to enhancing our capacity to manage the Sustainability strategy and align it with our business objectives. To this end, we have set a goal to provide comprehensive sustainability training to 100% of our senior management by the end of 2023, with plans initiated in 2022. As part of this plan, so far **two of our CXOs have successfully graduated from the ESG Academy** in partnership with Sofia University. In addition, we organized a **one-day ESG training** with our partners from PwC, customized for the needs and responsibilities of our management team members. Separately, a **training on unconscious bias** for the senior management also took place in 2023.

Besides his role as Yettel Bulgaria's CEO and Chairman of the Board, Jason King is a member of the Management Board of the Confederation of Employers and Industrialists in Bulgaria. Michaela Kalajieva, Chief Corporate Affairs Officer of Yettel Bulgaria, also takes on a significant role outside the organization, namely as a member of the Management Board of the Association of the Telecommunication Industry in Bulgaria.

Composition of the highest governance body by gender	Male	5
	Female	2

6.3 Employees

Our non-discrimination policy and approach help us build and maintain a rather balanced and diversified workforce. As of the end of 2023, we had a total number of 2,131 employees out of which 63% are female and 37% are male. Our colleagues take on various retail store, technological, and administrative roles. All due care is given that they operate in safe working conditions and that their rights are ensured.

Number of Employees at Yettel Bulgaria							
2022				2023			
Headcount							
2,035				2,131			
male	698	female	1,337	male	780	female	1,351
Employees working on full-time contracts							
2,017				2,107			
male	692	female	1,325	male	768	female	1339
Employees working on part-time contracts							
18				24			
male	6	female	12	male	12	female	12

Employees at Yettel Bulgaria by type of contract (2023)							
Permanent employees				Temporary employees			
1,960				171			
male	706	female	1,254	male	74	female	97

6.4 Economic performance

True to our identity of a socially responsible company, we make sure to multiply the economic benefits that come from doing business in Bulgaria. Yettel's business activities contribute to economic growth, job creation, income generation, tax revenue, investment, innovation, and infrastructure development, distributing value to both the regions, where we operate, as well as to the country as a whole and its residents. 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 2022 and 2023 (in thousands BGN)

	2022	2023
Economic value retained	5,723	66,130
Breakdown		
Economic value generated	894,377	985,252
Net revenue	893,678	982,641
Other operating revenue	699	2,611
Economic value distributed	888,655	919,122
To suppliers	607,063	682,552
To employees	58,353	71,103
To capital providers	175,000	87,947
To government	48,122	77,348
of which Spectrum licenses	25,093	53,498
To community	117	171

In 2022, Yettel generated a direct economic value of BGN 894 million and distributed economic value of over BGN 888 million. Respectively, the company's retained value is BGN 5.723 million, and made community donations to the value of BGN 117,000, which represents 2.05% of the economic value retained for 2022.

In 2023, Yettel generated a direct economic value of over BGN 985 million and distributed economic value totaling over 919 BGN million. Consequently, the retained value was BGN 66.130 million. Community donations for the year amounted to BGN 171,000, representing approximately 0,25% of the economic value retained for 2023.

During the reporting period, we have received financial assistance from the government totaling 210,554 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 2023 - 31st December 2023 in accordance with the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

Material Topic	GRI Standard	Section	Page	Comment
Mandatory Disclosures GRI 2	GRI 2-1 Organizational details	About Yettel	5	
	GRI 2-2 Entities included in the organization's sustainability reporting	About Yettel	6	
	GRI 2-3 Reporting period, frequency and contact point	About the report	4	
	GRI 2-4 Restatements of information	Energy, greenhouse gasses and other air polluting emissions	20, 21	
	GRI 2-5 External assurance	-	-	In progress.
	GRI 2-6 Activities, value chain and other business relationships	About Yettel, Yettel Bulgaria's value chain	5, 6, 71	
	GRI 2-7 Employees	Diversity and inclusion, Employees	32, 33, 34, 73	
	GRI 2-8 Workers who are not employees	Omitted	Omitted	Information is not available.
	GRI 2-9 Governance structure and composition	Governance structure and composition	72, 73	
	GRI 2-10 Nomination and selection of the highest governance body	Governance structure and composition	72, 73	

Material Topic	GRI Standard	Section	Page	Comment
Mandatory Disclosures GRI 2	GRI 2-11 Chair of the highest governance body	Governance structure and composition	72	
	GRI 2-12 Role of the highest governance body in overseeing the management of impacts	Our strategy, How we govern sustainability, Materiality assessment and material topics	7, 11, 16, 17	
	GRI 2-13 Delegation of responsibility for managing impacts	Our strategy, How we govern sustainability, Materiality assessment and material topics	7, 11, 16, 17	
	GRI 2-14 Role of the highest governance body in sustainability reporting	How we govern sustainability, Materiality assessment and material topics	11, 16	
	GRI 2-15 Conflicts of interest	Corporate governance, business ethics, regulatory compliance	64, 65, 66	
	GRI 2-16 Communication of critical concerns	Corporate governance, business ethics, regulatory compliance	67	
	GRI 2-17 Collective knowledge of the highest governance body	Governance structure and composition	72, 73	
	GRI 2-18 Evaluation of the performance of the highest governance body	Omitted	Omitted	Information is confidential and not disclosed.
	GRI 2-19 Remuneration policies	Diversity and inclusion	36, 37	
	GRI 2-20 Processes to determine remuneration	Diversity and inclusion	36, 37	

Material Topic	GRI Standard	Section	Page	Comment
Mandatory Disclosures GRI 2	GRI 2-21 Annual total compensation ratio	Omitted	Omitted	Information is confidential and not disclosed.
	GRI 2-22 Statement on sustainable development strategy	Our strategy	8	
	GRI 2-23 Policy commitments	Corporate governance, business ethics, regulatory compliance	64, 65, 66	
	GRI 2-24 Embedding policy commitments	Corporate governance, business ethics, regulatory compliance	64, 65, 66	
	GRI 2-25 Processes to remediate negative impact	Corporate governance, business ethics, regulatory compliance	64, 65, 66	
	GRI 2-26 Mechanisms for seeking advice and raising concerns	Corporate governance, business ethics, regulatory compliance	67	
	GRI 2-27 Compliance with laws and regulations	Corporate governance, business ethics, regulatory compliance	64, 65, 66	
	GRI 2-28 Membership in associations	Additional company information	70	
	GRI 2-29 Approach to stakeholder engagement	Our strategy, Stakeholder engagement, Materiality assessment and material topics	9, 14, 15, 16, 17	
	GRI 2-30 Collective bargaining agreements	Omitted	Omitted	Not applicable
Mandatory Disclosures GRI 3	GRI 3-1 Process to determine material topics	Materiality assessment and material topics	16, 17	
	GRI 3-2 List of material topics	Materiality assessment and material topics	17	

Material Topic	Topic-Specific Standard	Section	Page	Comment
	GRI 201 Economic Performance			
	3-3 Topic Management	Economic performance	74	
	201-1 Direct economic value generated and distributed	Economic performance	74	
	201-2 Financial implications and other risks and opportunities due to climate change	Omitted	Omitted	Analysis conducted in 2024 and to be disclosed in Yettel's next report
	201-3 Defined benefit plan obligations and other retirement plans	Diversity and inclusion	36, 37	
	201-4 Financial assistance received from government	Economic performance	74	
Digital inclusion and coverage	GRI 203 Indirect Economic Impacts			
	3-3 Topic Management	Accelerating technology for a sustainable future	52, 53	
Innovation, research and development	203-1 Infrastructure investments and services supported	Digital inclusion & coverage; Developing smart solutions that benefit people and the environment	53, 56, 57	
	203-2 Significant indirect economic impacts	Digital inclusion & coverage; Developing smart solutions that benefit people and the environment	53, 56, 57	

Material Topic	GRI Standard	Section	Page	Comment
Corporate governance	GRI 205 Anti-Corruption			
Human Rights Protection	3-3 Topic Management	Corporate governance, business ethics, regulatory compliance	64, 65, 66	
	205-1 Operations assessed for risks related to corruption procedures	Corporate governance, business ethics, regulatory compliance	66	
	205-2 Communication and training about anti-corruption policies and procedures	Corporate governance, business ethics, regulatory compliance	66	
	205-3 Confirmed incidents of corruption and actions taken	Corporate governance, business ethics, regulatory compliance	67	
Climate Change	GRI 302 Energy			
	3-3 Topic Management	Energy, greenhouse gasses and other air polluting emissions	20	
	302-1 Energy consumption within the organization	Energy, greenhouse gasses and other air polluting emissions	21	
	302-2 Energy consumption outside the organization	Our decarbonization initiatives	23	
	302-3 Energy intensity	Energy, greenhouse gasses and other air polluting emissions	21	
	302-4 Reduction of energy consumption	Energy, greenhouse gasses and other air polluting emissions, Our decarbonisation initiatives	21, 23	
	302-5 Reductions in energy requirements of products and services	Energy, greenhouse gasses and other air polluting emissions	21	

Material Topic	GRI Standard	Section	Page	Comment
Climate Change	GRI 305 Emissions			
	3-3 Topic Management	Energy, greenhouse gasses and other air polluting emissions	20	
	305-1 Direct (Scope 1) GHG Emissions	Energy, greenhouse gasses and other air polluting emissions	22	
	305-2 Energy Indirect (Scope 2) GHG Emissions	Energy, greenhouse gasses and other air polluting emissions	22	
	305-3 Other indirect (Scope 3) GHG Emissions	Energy, greenhouse gasses and other air polluting emissions	22	
	305-4 GHG Emissions Intensity	Energy, greenhouse gasses and other air polluting emissions	22	
	305-5 Reduction of GHG Emissions	Energy, greenhouse gasses and other air polluting emissions, Our decarbonisation initiatives	22, 23	
	305-6 Emissions of ozone-depleting substances (ODS)	Omitted	Not applicable	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Omitted	Not applicable	
Waste and circular economy	GRI 306 Waste			
	3-3 Topic Management	Input materials and waste	24	
	306-1 Waste generation and significant waste-related impacts	Input materials and waste	24, 25, 26, 27	
	306-2 Management of significant waste-related impacts	Input materials and waste	24, 25, 26, 27	
	306-3 Waste generated	Input materials and waste	27	
	306-4 Waste diverted from disposal	Input materials and waste	27	
	306-5 Waste directed to disposal	Input materials and waste	27	

Material Topic	GRI Standard	Section	Page	Comment
Occupational health & safety	GRI 403 Occupational Health and Safety			
	3-3 Topic Management	Occupational Health and Safety	43	
	403-1 Occupational health and safety management system	Occupational Health and Safety	43	
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety	43	
	403-3 Occupational health services	Occupational Health and Safety	43	
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety	43, 44, 45	
	403-5 Worker training on occupational health and safety	Occupational Health and Safety	43	
	403-6 Promotion of worker health	Occupational Health and Safety	44, 45	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety	43, 44, 45	
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety	43	
	403-9 Work-related injuries	Occupational Health and Safety	43	
403-10 Work-related ill-health	Occupational Health and Safety	43		

Material Topic	GRI Standard	Section	Page	Comment
Employment & skills development	GRI 404 Training & Education			
	3-3 Topic Management	Employment and job retention	38	
	404-1 Average hours of training per year per employee	Employment and job retention	42	
	404-2 Programs for upgrading employee skills and transition assistance programs	Employment and job retention	38, 39, 40, 41, 42	
	404-3 Percentage of employees receiving regular performance and career development reviews	Diversity and inclusion	37	
Diversity and Inclusion	GRI 405 Diversity and Equal Opportunity			
	3-3 Topic Management	Diversity and inclusion	28	
	405-1 Diversity of governance bodies and employees	Diversity and inclusion	32, 33, 34	
	405-2 Ratio of basic salary and remuneration of women to men	Omitted	Omitted	The salaries we offer are predicated on the respective job description, market benchmark, job family, job class and salary range. We follow the equal pay for equal work principle (contained in art.243 of Bulgarian Labour Code) and our compensation systems and processes do not distinguish between men and women.
	GRI 406 Non-Discrimination			
	406-1 Incidents of discrimination and corrective actions taken	Diversity and inclusion	35	

Material Topic	GRI Standard	Section	Page	Comment
Product and service accessibility, client responsibility	GRI 416 Customer Health and Safety			
	3-3 Topic Management	Mobile telecommunication technologies and public health	46, 47	
	416-1 Assessment of the health and safety impacts of product and service categories	Mobile telecommunication technologies and public health	46, 47	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Mobile telecommunication technologies and public health	47	
Cybersecurity & privacy	GRI 418 Customer Privacy			
	3-3 Topic Management	Safeguarding cybersecurity and personal data	58, 59, 60, 61	
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Safeguarding cybersecurity and personal data	60, 61	
We also report on Yettel topics not covered by the GRI Standards:				
Local communities	3-3 Topic Management	Charitable and social investments	48, 49	
Sustainable Supply Chains	3-3 Topic Management	Sustainable supply chains	68, 69	

Yettel.