



Telekom Srbija

ESG

BUSINESS REPORT OF
TELEKOM SRBIJA GROUP
FOR 2023.

Telekom Srbija

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WITH YOU FOR 25 YEARS NOW

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INTRODUCTORY ADDRESS

When I look back at 2023, I have to say that I am extremely proud of everything our Group has accomplished, and I am looking forward to the following period and the challenges before us.

Telekom Srbija Group operates, with its companies, in nine countries, including some of the strongest EU economies. In this way, we have completed the business expansion cycle that we commenced five years ago through a fundamental reorganisation and audacious launch of several strategic initiatives. Needless to say, it was supported by all our companies in Bosnia and Herzegovina, Montenegro, North Macedonia, Austria, Switzerland, Germany and Turkey that made significant contribution, but the key change was initiated by the parent company of our Group – Telekom Srbija.

We have built global presence on solid foundations in Serbia: in the previous period, we have built a stronger optical network, consolidated the cable TV market, enabled all customers in the region and diaspora the best content. At the same time, we continued learning and tweaking our mobile network, recognized in independent analysis as the best the most reliable network. I cannot help mentioning that we have been the best network for 5 consecutive years according to the benchmark test, as measured by RATEL.

We may say that we are fully prepared for a new technology shift towards 5G, announced for 2024. The readiness, naturally, does not apply to mobile telephony alone. I am very pleased we have not focused solely on the development of our core business, and we have used the previous period instead to prepare ourselves for digital future. I think it is very important that we strategically align with our different businesses. For instance, a startup we have supported in the initial stage via our investment fund, is now an integral part of our service portfolio in the business segment. Likewise, in that way Serbia positively affects the development of the overall digital industry in Serbia.

We have already announced our global aspirations by the production of featured content sold on five continents. Is there a better testimony that we are on the right track than the fact that the quality of our work has been recognized by the leading global companies in this area, such as Amazon Prime Video and TV Espana. As in the previous example with startups and IT industry, Telekom Srbija directly impacts an increase in capacities and the development of filmmaking industry in Serbia and in the region. I am truly proud of the positive impact we reflect that way to all players in the creative industry.

We have expanded our international presence by opening representative offices in Brussels, and



Vladimir Lučić
CEO

we have reinforced the vision of creating a global company in the years to come by an agreement on

granting scholarships to young Serbian graduates on postgraduate studies at the prestigious College of Europe in Bruges.

That is why it is completely natural to record outstanding operating results year in year out.

Environment protection

There is no doubt that one of the main pillars of sustainable business in contemporary world is managing the responsibilities for environment and contribution, in general, to sustainability of the living world. Last year, the Company achieved big success in this sphere in particular. The environment management system, certified in late 2022, started producing concrete results and moves in large strides towards the goal in order to harmonize the impact of the Company's business on environment and the goals of sustainable life. Collection of key performance indicators of the environment has been classified, while the procedures of determining various impacts on the environment, their evaluation, control and reduction have been significantly improved.

Decarbonization of industry is a challenge that humanity has not been faced with thus far. To achieve the goals of the Paris Agreement and restrict the growth of average global temperature to 2°C compared to pre-industrial period, it is necessary to considerably reduce greenhouse

gases emission in the forthcoming period. A quality inventory of GHG emissions, i.e. precise assessment of all emissions are the basis for the development of decarbonization strategy. This task is far from easy, particularly in large companies such as Telekom Srbija. Last year, a big advance was made in the GHG inventory and the collection of data in various ranges of emission, so that the goals of minimizing these gases emissions could be soon established.

In addition to decarbonization process, preservation of wildlife that we share this planet with, remains one of Telekom Srbija's commitment. The Company continued and expanded the support to specific programmes of protection of key endangered species, both financially and technically and from educational aspect through the project "No species dies alone" and the campaign "Let's preserve the most important network of all. The network of life".

Social responsibility

Deep-rooted principles of social responsibility remain the driving force of Telekom Srbija Group that is focused on community welfare. Special emphasis is laid on the support to youth and education which is a basis of corporate social responsibility. Equally committed to sustainability, our group applies technical innovation, efficiently manages energy resources and encourages sustainable practices.

With previously awarded recognition "the Champions of Sustainability", granted to Telekom Srbija for the best business practices and contribution to the achievement of Sustainable Development Goals, the importance of this long-term project has been confirmed, which testifies to the company's commitment to preservation of biological diversity and the protection of endangered species as prerequisite for human life.

Our group firmly believes that children and young people are initiators of prospective social, economic and technical evolution and to that end it earmarks almost 60% of the funds intended to donations for their education.

I would also like to highlight that Telekom Srbija was awarded the Family Friend 2023 recognition for successfully conforming the work and and parenthood, i.e. business and family commitments of its employees.

Telekom Srbija Group particularly accentuates the importance of preservation of cultural heritage and community wealth.

Corporate governance

In 2023 modernization of operations was continued, optimization of costs, by acquisition of new technologies we have moved towards a faster development of new digital services and content. The imperative of Telekom Srbija Group



is to continue providing our customers with top-class service and to constantly improve customer experience.

Eventually, I have to stress that I am pleasantly surprised and proud of the fact that upon the publication of ESG report for 2021 and commencement of reporting in this sustainability segment, among 50 largest companies in the Republic of Serbia, our company is the only state-owned one that applies this type of reporting. (<https://esg-srbija.rs/rezultati/>)

Best regards,

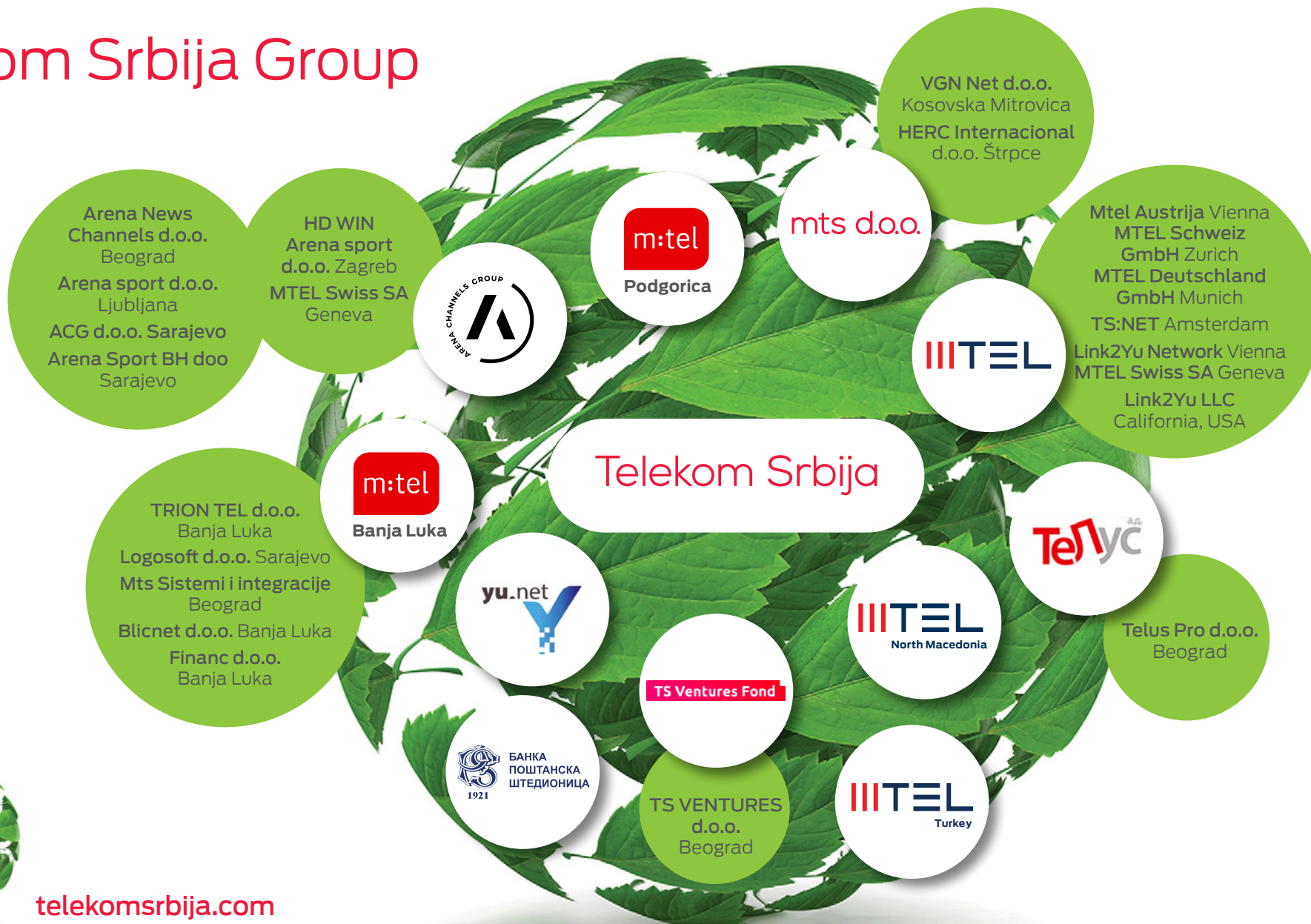
Vladimir Lučić
CEO

WITH YOU FOR 25 YEARS NOW 01





Telekom Srbija Group



telekomsrbija.com



MEMBERS OF TELEKOM SRBIJA GROUP

Telekom Srbija a.d. Beograd mts.rs

Telekom Srbija is one of the leading telecommunications operators in the territory of Serbia in all segments of business. It was founded on 23 May 1997 through the process of structural and ownership transformation of the PTT system in Serbia, as a single-member joint stock company. From June that same year, it was owned by three shareholders: JP PTT saobraćaja „Srbija“ (present-day JP „Pošta Srbije“), Telecom Italia (through its branch office STET International Netherland N.V) and OTE Greece. In 1998, it began to provide mobile telephony services. In 2006, we introduced 3G technology and the provision of ADSL Internet services.

As early as in 2007, Telekom Srbija became the leader in the sphere of telecommunications and began to expand to the markets of Bosnia-Herzegovina and Montenegro. This is how Telekom Srbija Group was set up. In the following years, it successfully kept abreast of market demands and also recognized the importance of introducing fresh services, creating the potential for entering new markets. Apart from the basic telecommunications services, at present it is substantially focused on the development and provision of multimedia,

financial and digital products and services, as well as projects of exceptional importance for all people in the diaspora. Telekom Srbija has no branches.

The ownership structure of Telekom Srbija is presented in detail on the website of the Central Securities Depository and Clearing House. Telekom Srbija has the ownership stake in the following subsidiaries:

Telekom Srpske a.d. Banja Luka mtel.ba

One of the three national telecom operators in Bosnia-Herzegovina, Mtel Banja Luka offers unique communications solutions integrated under the corporate brand of m:tel. It holds ownership of the following subsidiaries:

- MTEL d.o.o. Podgorica (49% stake)
- MTEL Global d.o.o. Beograd (41% stake)
- Logosoft d.o.o. Sarajevo, which holds 100% ownership of Mts Sistemi i integracije, Beograd (100% stake)
- Blicnet d.o.o. Banja Luka (100% stake)
- Financ d.o.o. Banja Luka (100% stake)
- Trion Tel d.o.o. Banja Luka (100% stake)

mtel d.o.o. Podgorica mtel.me

In April 2007, mtel Podgorica obtained a third

operator licence in the territory of Montenegro. Its ownership structure is as follows: 51% Telekom Srbija, 49% Mtel Banja Luka.

After obtaining the licence for the operation of the mobile network, a state-of-the-art mobile network was built within a period of only 77 days, a period unrecorded so far.

In 2015, Mtel Podgorica 2015 started developing cable network and presently it covers, through one of the biggest greenfield projects in Montenegro, 90% of households with the fastest optical internet and the best multimedia service.

ARENA CHANNELS GROUP d.o.o. Beograd tvarenasport.com

Arena Channels Group is a company dealing with cable telecommunications via the Arena Sport TV channel and is the holder of the broadcasting rights for sports channels in the territory of the Republic of Serbia, Bosnia-Herzegovina, Montenegro, North Macedonia, Croatia and Slovenia.

Arena Channels Group broadcasts the signal of the Euronews Srbija channel which is a branded affiliation of Euronews and which broadcasts the local, regional, national and international news on the TV and digital platforms produced by own team of journalists and reporters. Euronews Srbija is a news channel that is based on objective, impartial and precise journalism which the



Euronews family and its media promote wherever they operate.

Owing to successful cooperation between Bloomberg Media and Arena Channels Group, Bloomberg Adria was launched, the first pan-regional multiplatform network for business news in the South-eastern Europe, with its centres in Serbia, Croatia, Slovenia, Bosnia-Herzegovina and North Macedonia. Bloomberg Adria provides business and financial news, analyses and updates on the growing community of decision-makers and future leaders in the region, through electronic (TV), printed and digital media, as well as mobile and social networks. Bloomberg Adria relies on the worldwide power of Bloomberg's journalists and analysts in the creation and successful operation of the new platform, which combines local reporting and covering broad global economy and markets.

Arena Channels Group holds ownership in the following companies:

- HD WIN Arena sport d.o.o. Zagreb (100% stake)
- Arena News Channels d.o.o. Beograd (100% stake)
- Arena sport d.o.o. Ljubljana (50% stake)
- ACG d.o.o. Sarajevo, (100% stake), owing Arena Sport BH doo Sarajevo (100% stake)
- MTEL Swiss SA Ženeva (63.24% stake).

Mtel Global d.o.o. Beograd **mtel.global**

Mtel Global was created by integrating the companies which belong to Telekom Srbija Group. The idea of association and joint operations in the world market arose from the mutual goal – to establish inextricable ties with our people abroad, making it possible for them to foster the tradition and culture of their country of origin. The company rallies more than 100,000 our customers in the territories of the EU, Switzerland, USA and Canada.

It has the 100% ownership in the following companies:

- Mtel Austria GmbH, Beč, with 100% stake in MTEL Schweiz GmbH, Zurich and MTEL Deutschland GmbH Munich
- TS:NET B.V. Amsterdam,
- Link2Yu Network GmbH, Vienna, owing MTEL Swiss SA Geneve (36.76% stake)
- Link2Yu LLC California, USA.

YUNET INTERNATIONAL d.o.o. Beograd **yunet.rs**

In 1994, Yunet became the first commercial Internet Service Provider which, keeping abreast of the market trends, transformed itself into a Managed Service Provider in 2017. Its strategic commitment is a full engineering of advanced ICT systems and

their implementation per all stages of the life cycle, from the drafting of a strategy to implementation, introduction and maintenance. Their competitive edge is the offer of IoT solutions as smart tech in agriculture, especially in viticulture.

An important novelty in 2023 is the provision of optical internet to private and business customers which witnesses the current trend and an advanced approach of YUNET to the IT market. A large number of satisfied customers testifies to quality, dedication, professionalism and commitment.

Telus a.d. Beograd **telus.rs**

Telus provides the following services: security services for facilities and property and hygiene maintenance in business premises and facilities. Telus is operating primarily with the Parent Company, but it endeavours to affirm itself on the market to a larger extent.

It holds 100% ownership in subsidiary Telus Pro d.o.o. Beograd.

mts d.o.o. **mtsdo.com**

mts d.o.o. was incorporated in October 2015. It holds a full license for fixed telecommunications and temporary authorisation form mobile



telecommunications. Telekom Srbija is the founder with a 100 percent share.

It holds 100% ownership in the following subsidiaries:

- VGN Net d.o.o. Kosovska Mitrovica and
- HERC Internacional d.o.o. Štrpce.

MTEL DOOEL Skoplje **mtel.mk**

Mtel DOOEL Skoplje is a business company founded in July 2021 by Telekom Srbija a.d., with the seat in Skoplje, the Republic of North Macedonia.

The core activity of MTEL DOOEL Skoplje is cable telecommunications.

Telekom Srbija a.d. Beograd is the only founder and owner of the 100% stake in the share capital of that company.

TS VENTURES d.o.o. Beograd **tsv.fund**

The company engaged in management of alternative investment funds TS Ventures d.o.o. Beograd was incorporated in August 2021. Telekom Srbija a.d. Beograd was the only founder and owner of the 100% stake in the share capital of that company.

TS Ventures d.o.o. Beograd manages the investments of the alternative investment fund of the venture capital in the Republic of Serbia and enables to Telekom Srbija a.d. Beograd, as the founder and investor, to have access to innovative solutions for the purpose of strengthening its service portfolio and market position. Said company offers an opportunity to the Start-up community of the Republic of Serbia to implement technological ideas and thus support the local economy.

It holds 6.62% stake in the ownership of the Alternative Investment Fund TS VENTURES d.o.o. Beograd, while the remaining stake (93.38%) is held by Telekom Srbija

TS VENTURES FOND d.o.o. Beograd **tsv.fund/sr**

TS VENTURES FOND d.o.o. Beograd is the first official Venture Capital Fund in the Republic of Serbia, incorporated in accordance with the Law on Alternative Investment Funds. It also represents the first corporate Venture Capital Fund in this part of Europe, with the goal of investing in startups and innovative entrepreneurs who are in the early stage of their business development, yet with a great potential for a rapid global growth of business. The fund has been established following the suit of the biggest global companies and by investing in innovation,

it will ensure further development and growth of its business activities in the forthcoming period.

MTEL TURKEY TELEKOMÜNİKASYON LIMITED COMPANY

Mtel Turkey was incorporated in 2023 by Telekom Srbija, with its head office in Istanbul, Turkey. The core activity of Mtel Turkey is the distribution of media content. In December 2023, this company officially rolled out its services.

ENVIRONMENT 02



ENVIRONMENT

Healthy environment and favourable conditions for the survival of life forms are prerequisite for the survival of mankind. Mitigation and adaptation to climate change, prevention of pollution, presevation of biodiversity, the use of natural resources in a manner enabling renewal of the planet's biocapacities make the environmental challenge extremely complex. None of the environmental segments may be left behind, as they all represent pillars that the welfare of current generation and the survival of future ones relies on, which is the definition of sustainable life.

As a reflection of inter-generational solidarity, environmental protection in the Company

unfolds through consideration and reduction of negative impacts of business activities upon the environment, implementation of environment-oriented technologies, adequate waste management, reduction of all forms of pollution, raising environmental awareness of employees in order to fulfil the strategic goal –sustainable business.



Environment management systems according to the requirements of ISO 14001:2015 standard

Consistent application of requirements of the ISO 14001:2015 standard directly contributes to the Company's constantly working on improving the environmental performances. It is essential for the principles of Telekom Srbija's Environmental Policy to be implemented through properly established procedure for determining context, obligations for harmonization, setting the environmental goals, ensuring required resources, implementation of operational activities, verifications and improvements. According to the definition, all management systems are being constantly re-examined and upgraded. In 2023, many activities were taken on improving the environment management system, which was especially commended in external audit.

The breaking point in 2023 was the expansion of range of the application of standard requirements at three more commercial facilities: TKC Novi Sad, Niš and Kragujevac, in addition to the existing ones in Belgrade: the Company's head office, Takovska 2, TKC Katićeva and the Printing Centre in Boleč, and all business activities both in the referenced facilities and those related with them. EMS (*Environmental Management System*) team was reinforced, comprising the representatives of all organizational units, of various educational profiles, ensuring that adequate attention is paid to all EU sustainability taxonomy areas, affected

by business activities, in conformity with the scope of impact.

Mitigation and adaptation to climate change

We witness the consequences of climate change as getting more evident and serious. Therefore, their mitigation is becoming pivotal as the global goal. The activities on mitigating climate change are actually the activities aimed at reducing the greenhouse gases emissions in business processes by avoiding and minimizing, but also through compensation in terms of financing the sustainability-friendly projects.

In 2023, solar power plant was installed on Telekom Srbija's commercial facility in Novi Beograd. We continued purchasing the "Green Energy" from the Serbian Electric Power Industry, i.e. the energy from renewable sources. As part of increasing the efficiency and use of energy, modern equipment is used with better utilisation of energy and one of the criteria of procurement of telecommunications and other equipment is energy efficiency itself. A project is also considered that will implement advanced software functionalities for reduced operating mode in the period of low traffic load, as well as for optimizing the equipment's operating load through predicting the users' behaviour, which can make savings in the electricity consumption.

The transport and exploitation of motor vehicles is necessary for a number of Company's business

processes, and traffic is a significant emitter of pollutants and greenhouse gases. To control and reduce emissions, vehicles with energy-efficient engines and lower emissions are used. In 2023, the number of vehicles with diesel engines was reduced. Circulation of company cars is controlled on a daily basis, the use of car fleet is analyzed and optimized, organizational measures applied and communication tools used in order to reduce the need for vehicle use. A training on cost-efficient and responsible driving was also developed for all the employees who use company cars.

Sustainable use of fresh and saline water resources

Water is irreplaceable natural resource and the access to clean water and sanitation is the basic human right.

It is understandable that in EU sustainability taxonomy the use of fresh and saline water resources demands special attention. Water consumption in the Company has not been assessed as a significant aspect of the environment, as it is usually linked to hygiene maintenance of business premises and for drinking, therefore not used in business processes. However, the consumption of this resource is monitored as one of environmental indicators and a procedure on timely alerts was introduced to report any leakage due to faults on plumbings and



rapid interventions of the competent department. Cleaning ladies are aware of the procedures they have to observe when cleaning, to use the water effectively. Consumption reduction measures are implemented and the quantities of waste waters in terms of raising employees' awareness of cost-effective use of water and the control of plumbings functionality.

Circular economy

Circular economy is a completely new business and life philosophy. It is an aspiration to create a more sustainable and less destructive economic system, that contributes to the preservation of natural resources, reduction of pollution and maintaining of biodiversity. The principles of circular economy relate to numerous procedures in business and their complete adoption is a long-lasting process.

More often than not, it becomes a part of the Company's activities, primarily in a form of energy efficiency, decreased consumption of resources, reduced waste generation, re-utilisation, recycling, etc. The product's longevity, such as mobile handsets, will be implemented through the project of taking the customer's handsets that they no longer use, to send them to repair or recycle. The project was developed in 2023 and its implementation is expected soon.

Prevention and control of pollution

The first symptom of an environmental crisis are various forms of biological, chemical, physical and visual pollution. Only afterwards all aspects have become applicable, presently categorized in key areas of EU taxonomy. That is why prevention and control of pollution is one of the main focus of all subjects in the environment management system.

Crucial aspects have been determined in Telekom Srbija's business activities, the consequences of which can be lower or higher pollution that the Company deals with.

Waste management emerging during the Company's business activities is a complex activity, as it generates a larger number of different types of waste at several locations. The goal of waste management is to reduce adverse effects it has upon the environment, human body and society. The Company abides by the endorsed Waste Management Plan and it acts in compliance with the Instructions on Waste Material Handling. Waste is separated to hazardous, non-hazardous, inert and accompanied with categorization it is handed to authorised operators along with the prescribed documents on its tracking, of which the Agency for the Protection of Environment is duly notified.

Although the emissions of non-ionizing radiation of base stations of mobile telephony wireless access network are strictly standardized and controlled, they certainly affect the electromagnetic ambience of the environment. That is why the radiation of base stations is the subject of day-to-day prevention of citizens' exposure to electromagnetic field, which is achieved by careful network planning, by using the cutting-edge and certified equipment, by expert evaluation of environmental loads, the studies of assessment of environmental impact, measuring the level of electromagnetic field, and education of citizens on responsible use of telecommunications means. The category of non-ionized radiation also includes low-frequency radiations, originating from, for instance, power transformer stations. The Company takes care of this radiation as well by hiring authorised laboratories that perform measurements and testing of conformity of low-frequency radiation with statutory levels of citizens' exposure.

One of the pollutants of the environment are boiler rooms used in winter time for heating individual business facilities. Although there are not many, the Company is aware of this significant impact on air quality in their environment, and so it manages thermal energy cost-effectively to head business facilities, to carry out the activities on preventive season maintenance of thermo-technical

capacities and installations and conducts regular measurements of the polluting gases emission, of which it duly notifies competent institutions.

Protection and renewal of biodiversity and eco-system

A contribution to the protection of biodiversity has become publicly recognized distinction of Telekom Srbija.

For quite some time now, through the activities on the project "No species dies alone", the Company has been providing support to specific programmes of preserving crucial endangered species of birds and mammals, and thus preserving diversity of the living beings and their habitats. The project unfolds in three areas: provision of technical support to nature protectors, financing the purchase of equipment and field activities of the experts in reference scientific institutions and NGO sector, as well as the education of public about the importance of the preserved biodiversity for people's welfare. It is exactly with that goal, that a comprehensive campaign was launched on April 22, on the Earth's Day: "Let's take care of the most important of all networks. The network of life", where the public has been presented, through various communication channels, with the connection of all living beings in an integral network of life, the preservation of which is conducive to the very survival of mankind.

By a prescribed procedure, communicated to the employees through trainings and internal informing, they are obliged, if they encounter a strictly protected or protected species during their business activities, to circulate the information to the expert person in the Company, to assess the species concerned and to take relevant steps towards protecting the animal and informing the relevant institutions. In 2023, several nests of white stork (*Ciconia ciconia*) was identified on telecommunications poles and activities were taken in that respect, in accordance with the Law on the Protection of Nature and according to the Decision on the terms of protection of nature adopted by the Provincial Institute for the Protection of Nature, in order to safely dislocate the nests to appropriate platforms and thus ensure the works on the distribution network, protecting at the same time the natural asset - strictly protected species.

Raising awareness of environment protection

Without the awareness of the necessity of environment protection, it is not possible to reach sustainable development, either for employees, business partners, suppliers, users, public.

The Company uses the available resources in order to carefully and creatively influence the employees' awareness, even broad public, about the importance of all segments of environment

protection. Raising awareness and training of employees regarding various environmental topics have been conducted through the in-house Training Centre and they met with great response. Through the campaign "Let's take care of the most important of all networks. The network of life" the public has been familiarized with the importance of preserving biodiversity and eco-system, as the bases for keeping ecological balance and survival of people.



SOCIAL 03



RESPONSIBLE BUSINESS AS A PERMANENT COMMITMENT

The SOCIAL segment is something that Telekom Srbija is particularly proud of. Caring for employees and the society are at the top of the priority list. Since the establishment of the company, socially responsible business has been the vision of the Company, which was also confirmed by joining the UN Global Compact in 2011. Telekom Srbija Group is committed to meeting the various needs of all interested parties, which include employees, customers, business partners, local communities, and, through its actions, ensures that social justice and basic human rights are always respected.



Global Compact
Network Serbia

We traditionally encourage initiators through:

WE CREATE KNOWLEDGE

7 YEARS / 140 SCHOOLS / 140 IT CABINETS

mts app competition

12 CYCLES / 202 TEAMS / 209 APPLICATIONS

Telekom with talents

Cooperation with the Mathematics High School
13 years 120 medals in international competitions

Cooperation with the Department of New Media FLU
7 years 8 winners of Telekom Srbija Award

Cooperation with the Movement for Women's Basketball
M. Maljković 7 years free basketball for 4747 girls

RESPONSIBLE TOWARDS A SUSTAINABLE FUTURE

With a responsible approach to the challenges of a sustainable future, Telekom Srbija Group has set high standards during its many years of business. For all the commitment and work in this segment, our company has been awarded numerous awards and recognitions.

Telekom Srbija

- Special recognition of the Serbian Chamber of Commerce for contribution to the preservation of biological diversity and for outstanding commitment to social responsibility for the project “No Species Dies Alone”
- Recognition “Friend of the Family 2023” in the category of public/majority state enterprises
- Gold donor recognition for long-term support of the Mathematics High School in Belgrade
- Plaque for contribution to the development of sports for persons with disabilities
- Plaque of the 57th Days of Mokranjac for sponsoring the event

mtel Podgorica

- Top Business Montenegro Award for the best company in the telecommunications sector
- Manager of the year in large companies - Association of Managers of Montenegro
- Winner of the “Creators for the Centuries”

award and recognition for outstanding contribution to the development of entrepreneurship in Central and Southeastern Europe.

mtel Banja Luka

- Award for the best socially responsible company in the region, Digital 2023, Serbia,
- Recognition for contribution to the development of corporate social responsibility for the year 2022, Chamber of Commerce of the Republic of Srpska, 2023,
- Certificate for the best mobile network in Bosnia and Herzegovina, NET CHECK GmbH, 2023,
- Plaque for contribution to the development and support for sports, “Voice of Srpska” 2023,
- Certificate of appreciation for the support provided in the implementation of preventive activities in the field of traffic safety, the Ministry of Transport and Communications of the Republic of Srpska and the Agency for Traffic Safety of the Republic of Srpska, 2023,
- Acknowledgment for invaluable partnership and cooperation on the “Reliability 2023/24” project, LRC BIS,
- Certificate of appreciation for exceptional contribution in humanitarian and charitable actions and demonstrated solidarity and other acts of humanitarian significance for the municipality of Vukosavlje, Municipality of Vukosavlje, 2023,

- Certificate of appreciation for demonstrated social responsibility and participation in the City of Prijedor project “Children’s Playground for a Happy Childhood”, City of Prijedor, 2023.

The key socially responsible activities of the Telekom Srbija Group are listed below, grouped according to the adopted goals of sustainable development in order to eradicate poverty, protect the environment and ensure peace and prosperity for all. Global goals and sub-goals are numbered according to the adopted Agenda 2030.



Sub-goal 1.5.

By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to extreme climate events, as well as other economic, social and environmental shocks and disasters

Telekom Srbija supported UNICEF’s program of preschool education and upbringing “Years

of Ascension” and provided assistance for the purchase of equipment for preschool institutions in order to enable children to grow up in a stimulating environment that stimulates their development, as well as for children from the poorest families to have equal opportunities for learning and development. The company also donated funds to improve living conditions for residents of the Institute for the Education of Children and Youth in Belgrade, the Home for Children and Youth “Vera Radivojević” from Bela Crkva, the Home for Children and Youth “Vera Blagojević” from Banja Koviljača and the Home for Children and Youth “Jefimija” Kruševac.

Mtel Banja Luka

You are not alone, you have friends

“You are not alone, you have friends“ is an action of a human nature that the Mtel company started in December 2021, which marked the whole of 2022, and continued in 2023. During 2023, the following donations were made:

- Help for the Bihać-Petrovac area through a donation to the Rmanj monastery for renovation and construction, and through a donation of 50 packages of food and hygiene products to returnees from the villages of this area.
- Donations of funds for the completion of works on the memorial complex dedicated

to mothers, within the Osovica monastery complex.

- Donations in the service of humanity, where help is selflessly provided to all who need it, as evidenced by numerous donations to homes for the elderly, associations of children with developmental disabilities, hospital centers and centers for social work.

In order to help children and young people with developmental difficulties from Kosovska Mitrovica, Mtel donated funds for the installation of an elevator and the equipping of the Day Center “Support me - January 9” in this city. This project was started in 2019, and this will be the first facility of its kind for children and youth in Kosovo and Metohija.

In 2023, Mtel donated funds to help the victims of the earthquake that hit Syria and Turkey.

“Serbian House” Foundation

The Serbian House is a humanitarian project that aims to solve existential issues for multi-member families, in the form of building a house, this project and the filming of the series “Serbian House” is supported by Mtel.



Sub-goal 3.8.

Achieve universal health care coverage, including protection from financial risk, availability of quality basic health services and availability of safe, effective, quality and affordable essential medicines and vaccines for all

The company has enabled to numerous healthcare institutions to use services and donated funds to improve working conditions, purchase medical equipment or expand the scope of operations. During 2023, help was provided, among others, to the Institute for Health Protection of Students Belgrade, Institute for Oncology and Radiology Belgrade, Health Center Užice, Special Hospital for Psychiatric Diseases “Kovin”, Institute for Public Health Šabac, Municipal Hospitals “Studenica” and “Pančevo”, Hospital for pulmonary diseases “Dr Vasa Savić”, as well as health centers in Kragujevac, Subotica, Lazarevac, Barajevo, Beocin, Titel, Pećinci, Ada, Irig, Kovačica. In addition to monetary

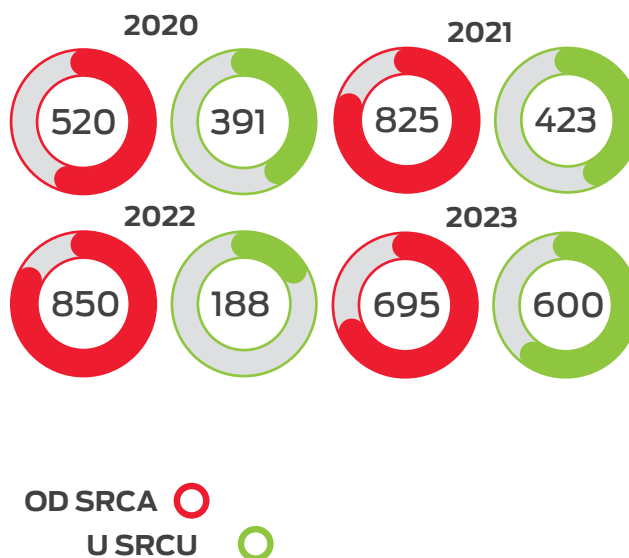


donations, by activating SMS and humanitarian numbers, the company responded to requests from institutions, associations and humanitarian organizations and supported initiatives that directly improve the lives of individuals in our society.

In cooperation with the Federation of Serbian Diabetes Associations, the organization of the “My Sweet Life” camp for children and young people suffering from diabetes is supported. The “Friend in Need” organization, with the support of the company, organized another rehabilitation and socialization program for young people with developmental disabilities. The company also contributed to the implementation of the “We can do everything” camp organized by the Čika Boca Association for children and young people treated for cancer. With special attention, Telekom Srbija supported the Association of Parents of Premature Children of Serbia “Mali Div”, in the organization of the Humanitarian Festival Miris boja, whose main goal is to collect funds to help blind and visually impaired children from socially disadvantaged communities.

As part of continuing cooperation with UNICEF, Telekom Srbija supported the “Mental health for children and young people” program and the launch of the “Everything is OK” platform. With its long-term contribution to the organization of the humanitarian ball of the Center for Palliative Care

and Palliative Medicine Belhospice, which provides funds for patient care, the company strives to highlight the importance of such initiatives and motivate as many members of the community as possible to join this humane project.



Two humanitarian associations of voluntary blood donors were active in Telekom Srbija in 2023, with 1,295 regular members of voluntary blood donors.

Mtel Banja Luka

“With love for brave hearts“

The funds collected in this year’s humanitarian action will be intended for the establishment of

a register of voluntary stem cell donors and the establishment of a Laboratory for HLA tissue typing at the Institute for Transfusion Medicine of the Republic of Srpska.

Donations and money collected through Mtel’s humanitarian number at the end of 2022 in the campaign “With love for brave hearts” were used for the purchase and delivery of incubators and equipment for caring for newborns in 2023. Hospitals throughout Bosnia and Herzegovina received this important equipment.

Association „Iskra“

In 2023, Mtel again supported the work of the Association of Parents of Children Suffering from Malignant Diseases “Iskra”, this time by providing them with mobile internet and a fixed telephone line. The company also supported the veteran football tournament “We play, they win”, where all proceeds from sold tickets and auction jerseys were paid to the “Iskra” association.

YUNET

During 2023, YUNET continued to participate in the donation to the Hrabriša Association for children suffering from neurotransmitter diseases, dop-reactive dystonia and other neurometabolic diseases by purchasing selected products with the logo of the Association and YUNET.



Young people are our driving force

Guided by the idea that young and educated people are the carriers of society's development, Telekom Srbija included all young initiators with the umbrella project "Starting the initiators" to whom it supports on the way to growth and improvement of knowledge and skills, as well as creating new opportunities for achievement and success. The initiators are among the elementary school students who improve their information literacy through the "Creating knowledge" project, in the creators of applications for mobile devices, talented high school students who participate in the "mts app competition", as well as in all young people eager for knowledge, aware of the importance of education and the development of their talents and capabilities, which the company gathers through the "Telecom with Talents" project.

Sub-goal 4.3.

By 2030, ensure equal availability of affordable and quality vocational education at all levels, including university, for all women and men

The dual education system of the Government of the Republic of Serbia is a project whose goal is to, in accordance with modern technological trends, improve the process of education in secondary vocational schools for certain occupations and promote their adequate application in practice, and at the same time contribute to strengthening the competitiveness of the economy of the Republic of Serbia.

In 2023, dual education was implemented with 19 students of the first generation of the Secondary Technical PTT School for the educational profile Telecommunication Network Installer, of which 13 students were hired. Work-based learning in dual education continued with 22 second-generation students and 11 third-generation students starting work-based learning from September 2023 with the support of licensed instructors.

In 2023, Telekom Srbija continues to provide scholarships to the 5 best-ranked students of the second generation. The goal of awarding scholarships is to motivate students to achieve the best possible results in school and at practice, as well as to reward the effort and commitment of students who have achieved the best results.

We create knowledge and new generations of entrepreneurs

By emphasizing a responsible attitude towards the community at the corporate level, by launching the "We create knowledge" project, in 2017 the company marked twenty years of existence and continuous support for youth and education. Thanks to the success of the first cycle, the positive reactions and interest of the schools, the project was continued and a total of 7 cycles were realized through which Telekom Srbija equipped 140 IT cabinets in 140 elementary schools throughout Serbia, investing 140 million dinars. The project is carried out with the support of the Ministry of Education. In addition to improving the conditions for the acquisition of knowledge and information literacy of elementary school students, the project also encourages activism in the community, because the choice of schools proposed by the ministry is decided by the votes of citizens on the official Facebook page of mts Tvoj svet.

Mtel Banja Luka

Partners of the Award for innovative teachers of Bosnia and Herzegovina

In 2023, Mtel and Logosoft were partners in awarding the Award for Innovative Teachers in BiH, held in Mostar, thus proving that they are responsible companies that understand education as one of the most valuable professions and vocations. As a novelty introduced in 2023,



two special audience awards were given in all five categories, which were provided by the companies Mtel and Logosoft.

The Mtel company continues to help educational institutions as it has done so far, and in 2023 the following donations were made:

- Mtel donated 10 computers to the Faculty of Electrical Engineering in East Sarajevo, which will help students and teaching staff, thus continuing decades of cooperation.
- Funds were donated to the Faculty of Science and Mathematics in Banja Luka for the adaptation of another modernly equipped classroom.
- Funds in the form of computer equipment, smart TV and office furniture were donated to elementary schools throughout the Republika Srpska.

Sub-goal 4.4.

By 2030, significantly increase the number of young people and adults who have appropriate skills, including technical and vocational, for employment, decent jobs and entrepreneurship

Professional internships for students and pupils

During 2023, Telekom Srbija traditionally implemented a mandatory professional internship for students and pupils in Belgrade and other cities in Serbia. Professional practice, with

mentor support, was organized for a total of 104 students from the Universities of Belgrade, Novi Sad, Čačak, Niš and Kragujevac. This year, the largest number of trainees are from the College of Information and Communication Technologies - 22 students, the Faculty of Security Studies - 16 students, the Faculty of Transport and Traffic Engineering - 14 students, as well as from the ICT College of Applied Studies (Information and Communication Technologies) - also 14 students. Internship was enabled for 7 students of the Faculty of Organizational Sciences, 6 students of the Faculty of Electrical Engineering, 5 students of the Faculty of Technical Sciences in Novi Sad, as well as for students of other higher education institutions in Serbia. In 2023, professional practice was implemented for an impressive number of 335 students of secondary vocational schools in Serbia, of which the largest number of students attend the Secondary Technical PTT School in Belgrade.

Projects: Financial Literacy and Student Companies

Telekom Srbija participated in the Financial Literacy and Student Companies projects, which are implemented by the Youth Achievements in Serbia organization. These projects aim to encourage entrepreneurship among the high school population, but also to acquire numerous competencies that are important for the 21st century, regardless of whether young people

will find themselves in entrepreneurial waters during their career or not. Throughout the school year, professors help their students to develop their entrepreneurial ventures in teams through all stages - from the idea to the founding of the company. After that, they participate in regional competitions, the best teams go to the national finals, and the winning team goes to the European competition. A key element for the quality and success of student companies are business mentors who help teams perfect their ideas, business and marketing plans and everything else that would affect the company's success in the real world.

In front of Telekom Srbija, 20 employees participated in the program, who, in the role of business mentors, shared their expertise in various fields, and thus provided help and support to student companies in the realization of their business ideas.

Mtel Banja Luka

Internship of the students of the Faculty of Science and Mathematics in Mtel

During 2023, a group of final year students of the Faculty of Science and Mathematics in Banja Luka had a two-week internship at the Mtel company. This internship was conceived as a kind of school where current topics on the labor market were addressed, which gives it added value.

Sub-goal 4.b.

By 2020, globally increase the number of scholarships available to developing countries, especially least developed countries, small island developing states and African countries, for higher education, including vocational training and information and communication technologies, as well as technical, engineering and scientific programs, in developed countries and other developing countries

Telekom Srbija

Mobile applications for the new age

In 2023, the 12th and 13th cycle of the mts app competition, which encourages creativity and innovation among high school students who work on programming mobile applications, improve the knowledge acquired at school, and present their application as a finished product in front of an expert jury, was completed and launched. Talented programmers from specialized departments for mathematics, informatics and computer science from 51 schools across Serbia have the opportunity to create applications and propose solutions and socially useful answers that would make life easier and simpler in the busy everyday life. According to the rules of the competition, students organize their teams, assign roles according to their knowledge and preferences, and create an application. During that time, they

have the support of their professors - mentors, as well as the mentoring support of Telekom Srbija employees. Valuable prizes await the winners of the mts app competition, as well as placement at the regional level of the competition. Thanks to the success of the mts app competition in Serbia, according to the same conditions, the competition is organized by m:tel BiH and m:tel Montenegro for students in those countries, so five winning teams from each country meet in the final called the Regional App Challenge and competitions for the main and special awards for innovation "The power of innovation - Igor Osmokrović".

Telekom with talents

Recognizing the importance of knowledge and the necessary engagement, effort and time to acquire it, Telekom Srbija has been supporting the talents of the Mathematics High School in Belgrade for 13 years. During that period, they delighted the public with an impressive 120 medals won at international competitions - 45 gold, 39 silver and 36 bronze. In 2023, the students of the Mathematical Gymnasium returned from the 14th Romanian Master in Mathematics with two silver and one bronze medals, and the Serbian team took 4th place in the competition from 16 countries. In the finals of the competition "Mathematics without borders", held in Bulgaria, eight gold, two silver and two bronze medals were won in the individual competition and one gold for each of the four

teams in the team competition. A special success was achieved by student Mina Mijatović, who was declared the winner of the competition as the most successful competitor in all nine age groups.

The company also supports the participants of the Belgrade II Regional Center for Talents, whose excellent placements in competitions and knowledge olympiads in the country and abroad and 62 medals won are confirmation of that success and hard work.

The company pays equal attention to the affirmation of young artists, giving them the opportunity to express their creativity and skills in the field of contemporary art. For the seventh time, Telekom Srbija awarded a cash prize for the most successful student work at the New Media department of the Faculty of Fine Arts, which was shared equally by two students. With the support of the company in the form of a special award for the best work, as well as previous donations of technical and multimedia equipment for the faculty, students are enabled to use modern equipment and explore modern artistic expressions in which various art forms, technology and digital techniques are increasingly intertwined.

The company is proud to point out its long-term cooperation with the Movement for Women's Basketball, which has been going on since the Movement was founded. Thanks to the support



of Telekom Srbija, 4,747 girls of primary school age have gone through the free basketball school so far. who had the opportunity to train and make their first basketball two-steps in sports halls in Belgrade, Obrenovac, Požarevac, Novi Pazar, Kosovska Mitrovica, Vrnjačka Banja, Čičevac and Apatin.

Inspired by the scientific and spiritual heritage of our greatest inventor and visionary, Nikola Tesla, students, lecturers, professors and artists, gathered at another “Tesla Global Forum” which the company once again supported, had the opportunity to learn about the rich creativity, life and the legacy of our outstanding scientist.

Mtel Banja Luka

m: scholars of the 13th generation

Scholarships for eleven electrical engineering students, new m:scholars were presented at a ceremony held at the Faculty of Electrical Engineering in Banja Luka. Students of the electrical engineering faculties in Banja Luka and East Sarajevo, the Faculty of Electrical Engineering in Tuzla, and the Faculty of Science and Mathematics in Banja Luka were eligible to apply for scholarships. By the end of the first cycle of studies from Mtel, eleven scholarship holders will receive, in addition to a monthly scholarship, the chance to spend a month at the company on professional practice, and the opportunity for

employment after completing their studies. In 2023, a new competition for m:scholars of the 14th generation was opened.

Mtel App competition

After the successfully held national App competition in the development of applications for mobile devices of the sixth cycle, the best five teams had the opportunity to participate in the Regional App Challenge organized by the Telekom Srbija Group. Where the “Digital Farmer” application stood out among the best applications. This competition was supported by Mtel Banja Luka. In 2023, a new cycle of the Mtel App competition was opened under the motto “Launch your idea!”.

Mtel Podgorica

This year, Mtel Podgorica was once again part of an important IT project called the Regional App Challenge, hosted by Montenegro as an online event, as well as the local Mtel App competition.

Sub-goal 4.5.

By 2030, eliminate gender inequality in education and ensure equal access to all levels of education and vocational training for vulnerable groups, including people with disabilities, indigenous populations and children in vulnerable situations

The development of digital technologies brings many advantages, facilitates communication, makes it faster and available everywhere. It also brings with it challenges and risks, especially when children are Internet users. As a company responsible for the community and especially dedicated to the education of young people, Telekom Srbija supported the UNICEF campaign “Stop Online Hate - for the safety of children on the Internet” and participated in the conference “Safe Internet Day” with the aim of raising public awareness about detecting and preventing digital violence.

Mtel Banja Luka

Safe Net in Schools

The company Mtel Banja Luka, in cooperation with the Ministry of Education and Culture of the RS, provided schools in the Republic of Srpska with free use and testing of the “Safe Net” service, a platform that aims to use the Internet safely. At the beginning of December 2023, the “Safe Net” service was activated in 37 elementary and secondary schools, which means preventing access to contents that are considered unwanted and inappropriate for the age group, as well as protection against malicious attacks.

Using platforms and services for a secure internet prevents the possibility of identity theft because users receive warnings for any potential threat

and irregularity, enables effective defense against malicious programs and viruses that can threaten data security, and prevents unauthorized access to computers and mobile devices, thus ensures the privacy of each user. This service helps to identify and block phishing attempts, i.e. fraud attempts to steal sensitive information such as passwords and financial data.

Free workshop on the importance of protection against cyber attacks

The company Mtel Banja Luka and a member of its Logosoft group from Sarajevo are intensively working to develop awareness of the importance of education on the topic of protection against cyber attacks, and one of the ways is by organizing free workshops, in which students of the Faculty of Electrical Engineering in East Sarajevo participated, and the topic workshop was “How to defend IT infrastructure from cyber attacks”.

Safer Internet Day

As a socially responsible company, Mtel Banja Luka is also this year on the list of those who support the celebration of Safer Internet Day, February 7, under this year’s slogan, “Together for a better Internet”, where a traditional competition was held for students of primary and secondary schools in Bosnia. and Herzegovina on the subject of internet security.



Sub-goal 5.5.

Ensure that women participate fully and effectively and have equal opportunities for leadership at all levels of decision-making in political, economic and public life

In line with mutual diversity in the type of activities they perform, Telekom Srbija group has a diverse gender structure by member companies. A significant number of member companies have a balanced participation of both sexes in the total number of employees.



Gender structure of employees

When it comes to the gender structure of management, the participation of women remains unchanged compared to 2022.



Gender structure of the management

We can point out that in the Executive Board of Telekom Srbija, out of the total number of executive directors, the majority are women.

In relation to the gender structure in Telekom Srbija in 2023, compared to 2022, women achieved a significant increase in the number of training hours achieved, so that in the total number of training hours both sexes are almost equally represented, with a slight advantage on the side woman.

Hours of education

	Telekom Srbija	
	2022	2023
Men	27,385	26,472
Women	21,712	28,042



Sub-goal 6.4.

By 2030, significantly increase the efficiency of water use in all sectors and ensure sustainable water exploitation and fresh water supply in order to respond to water scarcity and significantly reduce the number of people facing water scarcity

Telekom Srbija does not use large amounts of water in its business processes. It is mainly used for hygiene of business premises and drinking. Due to the importance of this natural resource, the Company continuously monitors water consumption in its facilities, while implementing measures to save and reduce the amount of waste water such as:

- Control of the proper status of installations
- Procedure of reporting to the relevant Maintenance in case of any leakage from the installations
- Timely removal of faults

- Raising awareness among the employees of economic water consumption
- Recommendation on environmental treatment to the subsidiary Telus a.d. Belgrade, which were given guidelines on the rational use of water when maintaining the hygiene of business premises.

In 2023, a total of 122.000 m³ of water was consumed.



Sub-goal 7.2

By 2030, significantly increase the share of renewable energy in the global energy mix

As part of the investment in renewable energy sources in 2023, a solar power plant was installed at the office building of Telekom Srbija in New Belgrade. The power plant has a power of 50 KWh and it is estimated that it will cover 20-30% of the electricity needs of a business building.

Sub-goal 7.2

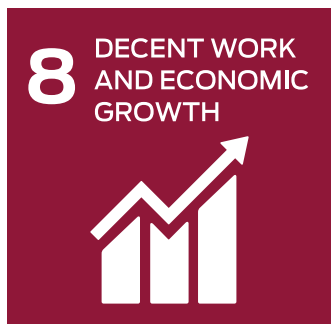
By 2030, double the global rate of improvement in energy efficiency

One of the indicators of the intensity of electricity consumption that the Company monitors is electricity consumption in relation to the amount of traffic (provided service), i.e. data transmission in the mobile network. In 2022, 0.758 KWh was required per one GB, while in 2023 this value decreased to 0.594. The positive reduction is contributed by the use of energy-efficient equipment, the implementation of energy-saving measures, and the increase in telecommunications traffic in the mobile network that the Company achieves.



Intensity of electricity consumption: ratio of the consumption and the traffic in the mobile network (KWh/GB)

Telekom Srbija	
2022	2023
0.758	0.594



Sub-goal 8.2.

Achieving higher levels of economic productivity through diversification, technological upgrade and innovations, including focussing on labor intensive and highly profitable sectors

To boost technological entrepreneurship, EUR 80,000 was invested over the past four cycles of mts startup acceleration, and free mts services and executive mentorship was provided for 10 awarded startups.

FAMILY FRIENDLY ENTERPRISE SERTIFIKAT

In 2023, as the holder of the Family Friendly Enterprise (FFE) certificate, Telekom Srbija continued to apply the existing measures and introduced a new one related to the reduced working hours for employees returning from maternity leave, in order to harmonize work and personal life of employees.

The goal of implementation and introduction of new FFE measures, which the company continuously examines and supplements, is to improve the work process and the work environment quality in order to achieve a better balance between employees' professional and personal life. This contributes to making employees more satisfied with the work they perform, more motivated to work and more committed to the company in which they work, while increasing productivity and efficiency and strengthening the concept of socially responsible business, thereby achieving a competitive advantage.

In 2023, Telekom Srbija employees were still crucial in ensuring the continuity of business processes, raising competencies and quality of work, as well as motivation. During this period, the Telekom Group paid particular attention to the following:

- activities attracting young talents of different profiles
- activities related to the development and retention of key resources
- protection of employees' personality and rights

Management of employee development in the parent company is implemented through regular planned educational, developmental and motivational modalities specifically intended for managers, talents and other employees (various types of internal and external education, teambuilding programs, additional training). On the other hand, digitization was largely implemented,

and the existing development processes were improved through the project of applying the integrated SAP Success Factors of the IT system, with basic modules that support the processes of recruitment, selection, work inclusion, main employee base, management of all absences. In addition, all modules have been implemented that will in the coming period support and interconnect, in a modern and interactive way, the processes of performance assessment, management of talents and successors to key positions, management of development and employee learning. With the help of the online learning platform "Moje učenje" ("My Learning"), the role of partners in creating a culture of continuous learning and development was further improved by enabling all employees to attend online trainings on 37 different topics in the field of business, interpersonal and digital skills, work on computers, English, sustainable development and the environment. As an additional incentive for employees and motivation for learning, gamification has been introduced into the learning process, and so far, 937 employees have earned the title of Learning Star, and 1,231 employees have earned the title of Learning Champion.

Mtel Banja Luka

The desire for the employees of Mtel Banja Luka to constantly grow and develop, as before, lead to organizing a significant number of in-house and internal training.



In order to strengthen the leadership skills of managers within the company, the training “Razvojni program za menadžere” (“Development Program for Managers”) was organized. Managerial trainings have traditionally been part of the educational programs carried out to ensure a positive working environment and the best possible experience for employees.

Mtel Podgorica

Mtel Digital Factory

By opening the Digital Factory, the first ICT hub in Montenegro, with the aim of providing young people with all the prerequisites to start turning their ideas into start-ups and supporting further implementation, Mtel Podgorica has shown that it is the main implementer of the digital revolution in Montenegro.

Since the opening of the Digital Factory, more precisely from September 2017 until the end of 2023, five Startup Academies, the first academies of this type in Montenegro, have been held. The goal of these academies was to empower, educate and network the startup community, and it is demonstrated that we are on the right track by the fact that the two Startup Academies held in the last three years were organized in cooperation with the Ministry of Science and Technological Development, which co-financed them with over 70 thousand euros.

The fifth academy was completed during 2022, and 10 teams were educated, five of which went through the idea forming cycle and entered the idea validation cycle, where they received certain funds to invest in their products. In addition, during their one-year training, the startupperes learned step by step how to turn an idea into a product that solves a problem and ultimately how to present themselves to an investor.

The Government’s support was not lacking in 2022 either, when the Ministry of Public Administration signed a cooperation agreement with Mtel, within which the Digital Academy project was to be organized, aimed at digital literacy of government officials, students, pupils and vulnerable groups. The Digital Academy project was held throughout 2023, every Saturday at the Digital Factory premises, which shows that the Digital Factory has been recognized as a stakeholder in the process of digital transformation of Montenegro.

Moreover, the Protocol on Cooperation between MTEL and the Parliament of Montenegro was signed, which involved organization of Democratic Workshops at the Digital Factory, where the participants would be educated about 3d printing, robotics and the basics of programming.

Currently, the organization of education on digital skills and digital tools for children of primary and secondary school age is underway.

Sub-goal 8.3.

Promote development-oriented policies which support production activities, creation of decent jobs, entrepreneurship, creativity and innovativeness and encourage the official establishment and growth of micro-companies, i.e. small and medium-sized enterprises, among other things, through access to financial services

Management of employee development in the parent company is implemented through regular planned educational and developmental and motivational modalities specifically intended for managers, talents and other employees (various types of internal and external education, business simulations, teambuilding programs, additional training). With the help of the learning platform, the role of employees as a partner in creating a culture of continuous learning and development is further improved.

Trainings

Participation in employee training in 2023 increased by 15.4% compared to 2022.



Hours of education

Telekom Srbija

	2022	2023
No. of hours	49,097	54,514
Employees	34,085	40,290
Management	15,012	14,224

Rotations

In 2023, the employee rotation program in Telekom Srbija continued, with an increase in the number of employees involved in this process compared to the previous year. In addition to the rotations realized within Telekom Srbija, this year 10 rotations were realized between the employees of Telekom Srbija and Yunet International.

In order to motivate and retain key resources in the Company in 2023, the application continued of the Flexible Benefits Model, as a type of indirect compensation, regulated by the Decision on the Allocation of Flexible Benefits, which provides rules for the allocation and types of benefits offered. In 2023, 1,150 employees from all organizational units of the Company were determined as users of flexible benefits.



Number and structure of implemented training programs of the most important members

Telekom Srbija

	2022	2023
Training for professional licence	24	14
Education by the Company	12	6
Talent program	214	186
Team building	362	383
Rotations	172	220
Internal training	660	217
Personal development trainings	1.497	811
Total:	2,941	1,837

Number of employees with professional licenses	439	481
No. of employees who are members of professional organizations	418	457

Moreover, in 2023, 8 housing loans were granted to employees, against participation in loans with commercial banks, whereby the Company

continuously supports its employees in addressing one of the most important life issues.

In 2023, to mark March 8th, one-off payments were made to all women in the Company, regardless of the type of employment, and New Year's children gifts – payments to all employees with children up to 10 years of age, and children with special needs up to 15 years of age.

In addition to the aforementioned, Telekom Srbija has been providing voluntary pension insurance for all employees since 2008, in the voluntary pension funds Dunav and Generali.

Telekom Srbija continues the tradition of jubilee awards for employees and former employees, who in the course of the year have reached 10, 20, 30 or 40 years of uninterrupted employment in Telekom Srbija, i.e. PTT system of Serbia.

Sub-goal 8.6.

By the end of 2020 significantly reduce the share of young people who are not employed or involved in the education i.e. training process.

As a result of the measures implemented in the previous period, in 2023, a higher growth was evident of the newly employed younger population in the Telekom Group, which was the result of various employment branding activities and participation in

the projects of the Government of the Republic of Serbia.



Age structure of newcomers

	2022	%	2023	%
Up to 30 years of age	47	11%	188	27%
30-50	359	86%	472	68%
Over 50	13	3%	32	5%
Total newcomers	419		692	
Number of attrition from Telekom Srbija Group	150		196	
Net change	269		496	

The average rate of external fluctuation is relatively low in 2023 as well and follows the trend of the external fluctuation rate from 2021 and 2022.



Rate of external fluctuation

	2021	2022	2023
Telekom Srbija	2%	2%	2%

Mtel Banja Luka

Mtel Banja Luka employee of the year

In accordance with its practice from previous years, Mtel Banja Luka also rewarded its employees in 2023. The “Employee of the Year” award went to a total of 38 employees in 2023, and the criterion for the reward was the business conduct that clearly promotes corporate values.

Sub-goal 8.8.

Protect the labor-related rights and promote a safe and secure working environment for all employees, including migrant workers, especially women migrants, and those performing dangerous tasks

The bylaws of the Telekom Srbija Group members envisaged the right to regular health check-ups for employees, as well as solidarity aid, both for employees and their family members.

In Telekom Srbija Group, solidarity aid was granted to more than 5% of employees, while medical check-ups were performed for over 25% of employees in the Group. In 2023, in Telekom Srbija alone, a total of 217 employees were entitled to solidarity aid and other types of financial assistance, which represents 2.54% of the total number of employees, while the number of external

users of these types of assistance amounts to 160.

The Group consistently applies the activities defined by the Law on Occupational Safety and Health. In order to raise the level of occupational safety and health, Telekom Srbija implemented the ISO standard 45001: 2018, recertified in 2022, and adopted the Occupational Safety and Health Policy, which defines the principles and areas of implementation.



Health and safety at work

Telekom Srbija	2021	2022	2023
The number of employees on jobs with high risk	1,705	1,755	1,733
The number of minor injuries at work *	41	61	71
The number of injuries at work with severe injuries - disability **	14	17	14
Number of fatal work-related injuries	0	0	0

* in 2023 - out of 71, 25 work-related injuries

** in 2023 - from 14, 5 work-related injuries

Telekom Srbija provides for all employees the collective insurance from consequences of accidents at work and outside of work (24/7), as well as grave illnesses and surgical interventions. The right to payment of the insured sum by submitting a claim was granted by insurance companies to a total of 322 insured cases in 2022, while in 2023 this right was granted to a total of 290 insured cases.

Telekom Srbija provides additional protection of employees through collective insurance, with increased amounts of insurance for employees who are assigned to positions with higher risk.

Other members of the Group have defined the basic insurance of employees and professional liability insurance.

resistant infrastructure, including regional and cross-border infrastructure, in order to support economic development and human well-being, with a focus on affordable and equitable access for all

This goal is successfully implemented through the ALL IP project of the fixed Internet network modernization, where user speeds can even go up to 1Gb/s in order to create a more favorable business environment for new investors. In Serbia, Telekom Srbija has so far constructed and provided the following:

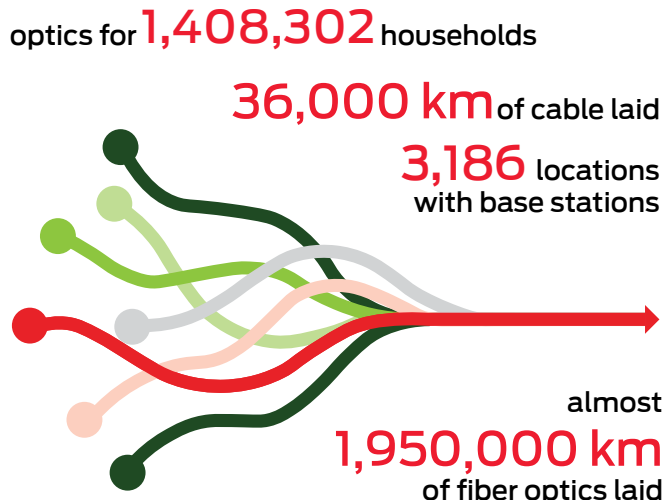
- optics for 1,408,302 households;
- 36,000 km of cable laid;
- almost 1,950,000 km of fiber optics laid; and
- 3,186 locations with base stations.

The Rural Broadband Rollout project of the Ministry of Information and Telecommunications implements the joint construction of an optical infrastructure to cover a larger number of rural settlements. Joint construction is implemented by the Ministry building the so-called mid-mile part of the network, from the operator's point of presence to a village, while the operator would build the access network in villages. Telekom Srbija signed joint construction contracts with the Ministry for 382 out of 678 settlements. So far, Telekom has contracted the construction in 349 settlements. In 2023, construction was completed in 25 settlements with 3126 households, while works are underway in 16 settlements. By the end of 2024, after the construction of the optical network in another 349 settlements, it would be made possible to provide broadband services at speeds of up to 1Gb/s for about 60,000 more households.



Sub-goal 9.1.

Develop high quality, reliable, sustainable and



Sub-goal 9.c

Significantly increase access to information and communication technologies and make efforts to provide universal and affordable Internet access in the underdeveloped countries until 2020

Telekom Srbija invests significant funds to improve the network quality in all areas of our country,



both urban and rural. For rural and less developed areas, wireless technology solutions are more technically feasible and economically acceptable, so a significant effort has been made to improve mobile coverage of territories and population in such areas. According to the latest valid Ratel report (third quarter of 2023), Telekom Srbija provides coverage of 99.37% of the population with 2G signal, 97.25% of the population with 3G signal and 98.33% of the population with 4G signal (which is also the highest percentage of 4G population coverage among operators in Serbia).



Sub-goal 11.4.

Increase efforts to protect global cultural and natural heritage

Telekom Srbija

In 2023, the company also implemented its traditional campaign of giving books to

schoolchildren on the occasion of the New Year and Christmas holidays, enriching libraries in ten more primary schools in Serbia. Telekom Srbija attaches great importance to the development of verbal and written expression of children and young people, as well as their creative potential, by supporting the organization of “Zmajevе dečje igre” (“Zmaj Children Games”) in Novi Sad, “Pesnička štafeta” (“Poetic Relay”) in Zrenjanin, “Dečji oktobarski salon” (“Children’s October Salon”) of the Museum of Applied Arts and the art workshop “Slovački ornament” (“Slovak Ornament”) of the Petrovac Fine Artists Association from Bački Petrovac.

The company likewise supported the choral music festival “Mokranjčevi dani” (“Mokranjac Days”), which are traditionally held in Negotin, the organization of the International Festival of Medieval Music “Medimus” in Prizren, and its long-standing cooperation with the Ilija M. Kolarac Endowment, which has been going on for 26 years, the company continued through the project “Kolarac tvoj svet muzike” (“Kolarac - Your World of Music”), dedicated to concert performances of classical music. The company is happy to support theater events with a lasting tradition, such as the International Festival “Dani Zorana Radmilovića” (“Days of Zoran Radmilovic”) in Zaječar or “Nušićevi dani” (“Nušić Days”) in Smederevo. The company helped the Association of Skadarlija Fans in the realization of the project “Pupinijada”, a multimedia chamber theatre play about Mihailo Iđvorski Pupin.

With the support of the Ethno Network Association and the project “100 žena, 100 minijatura” (“100 Women, 100 Miniatures”), the company assists in emphasizing the originality of women’s masterful skills in the creation of traditional handicrafts, in order to strengthen women’s entrepreneurship, especially in rural areas.

Fostering traditional values, the event „Sportsko sabranje Svete Srbije” (“Sports Gathering of Holy Serbia”), which has a long-standing support of the company, promotes the importance of physical, as well as spiritual health of the youngest, and at the same time contributes to the development of cultural awareness among young people. A deeper understanding of the past, tradition and history of a community can also be gained through preserved churches and monasteries whose renovation the company has supported for years.

Mtel Banja Luka

In 2023 as well, Mtel Banja Luka supported the arts through donations and sponsorships of cultural institutions and events:

- *Zadužbina srca - neka nas knjiga spaja* (The Endowment of the Heart - let books connect us)
- Children’s fairs in Banja Luka and East Sarajevo
- Support to the National Theatre of Republika Srpska and Children’s Theatre of Republika

- Srpska - for 25 years already
- PAF - *Pozorišni akademski festival* (Academic Theatre Festival)
- International Actor Festival *Zaplet*
- Festival of Serbian Folklore, Banja Luka

are goals whose fulfillment is demanding. The company strives to achieve them through measures intended for energy efficiency, by installing its own renewable energy sources, as well as by purchasing “Green Energy” from Elektroprivreda Srbije, which originates from hydropower plants.

was organized for children aged 3 to 12, as well as outdoor fitness for adults. Mtel supported the organization of this event.



Sub-goal 12.2.

By 2030, achieve the sustainable management and efficient use of natural resources

Electricity

Electricity consumption is a significant aspect in the operations of Telekom Srbija. The total amount of energy directly depends on the business, the strategy of expanding the telecommunications network, increasing the number of devices, the variety of services, etc. In the context of a constant increase in network capacity and raising customer needs for various services, reducing electricity consumption and greenhouse gas emissions

Electricity consumption (GWh)	2023
Total electricity consumed	167
Electricity for own needs from "Green Energy" (EPS)	108
Electricity for own needs originating from fossil fuels	59

Mtel Banja Luka

“Let’s save energy”

The theme of the European Mobility Week 2023 was “Let’s save energy”. This year, again, the city of Bijeljina has traditionally joined numerous cities that mark the European Mobility Week. On this occasion, among other things, a large cycling ride called „20-ka za zdravlje“ (“20 for Health”) was held in Bijeljina, and a race with obstacles

Heating

Most of the Company’s business facilities are connected to the district heating system. For the largest number of facilities, the delivered thermal energy is measured, while for about 40 facilities calculations are made per heating surface. An assessment has been made for them.

Heat consumption for heating (GWh)	2023
Measured thermal energy delivered	11.7
Estimation of the delivered thermal energy for the facilities where the calculation is made per surface area	4.1
TOTAL:	15.8

In addition to the district heating system, other energy sources are also used to heat a small number of business premises.

Consumption of heating energy products

	2022	2023
Wood (m ³)	34	17
Coal (t)	126,027	81.68
Furnace oil (l)	251,949	221,240
Low-sulfur fuel oil (l)	183,381	197,631

Paper consumption

In order to reduce paper consumption in the Company, a number of measures have been taken to bring it to the optimal level. However, due to the acquisition of several companies and the increase in the number of users, there was a small increase in the consumption of printing paper compared to the previous year. In order to meet this goal in the future, the implementation of a qualified trademark is expected in 2024, which is a prerequisite for “paperless” business and then the E-archive may operate at full capacity. This should contribute to a significant reduction in paper consumption.

Paper consumption (ream = 500 sheets)

	2022	2023
	39,332	40,068

Mtel Banja Luka

For the purpose of environmental protection in 2023, Mtel has continuously run internal and external campaign for saving paper, i.e. using electronic invoices instead of paper ones. In addition, activities related to the proper disposal of obsolete and broken electronic equipment and damaged phones returned by end users have been continued.

In accordance with applicable legal regulations, after the expiry of the deadline for keeping the documentation in the archives, the company undertook to destroy it, through a company whose primary activity is the organized collection, transport, sorting, compacting and temporary storage of packaging (non-hazardous) waste, for further recycling.

Sub-goal 12.4.

Until 2020 achieve environmentally sound management of chemicals and all types of

waste throughout their life cycle, in accordance with the agreed international frameworks, and significantly reduce their release into the air, water and soil, in order to minimize their negative impact on human health and the environment.

Non-ionizing electromagnetic radiation of mobile telephony base stations

Since the core activity of Telekom Srbija is the provision of telecommunications services, a huge part of which is mobile telephony, it is understandable that the Company uses a large number of base stations that make up the wireless access network. Special attention is paid to the control and reduction of people’s exposure to non-ionizing radiation of mobile telephony base stations and environmental hazards from EM fields of anthropogenic origin. Every day, prevention is applied through network planning, measurements of electromagnetic radiation, the procedure of environmental impact assessment, cooperation with public administration bodies, professional organizations, the civil sector.

In 2023, the Company carried out:

- 370 measurements involving 1080 base stations
- 215 Expert Evaluations of Environmental Hazards that also include measurements for 680 base stations
- 44 Environmental Impact Assessment Studies

39 public debates related to environmental impact assessment studies
 107 inspections to control the operation of base stations, with 379 base stations included.

Emission of pollutants - gases from the boiler rooms

According to the protocol on cooperation with PTT, as the lessor of the premises, Telekom Srbija is responsible for monitoring emissions of pollutants for 10 boiler rooms and the values have been measured depending on the energy source used.

Measured emission of pollutants - gases (kg)

	2022	2023
NO/NO _x	4,146	6,799
CO	4,791	7,298
SO ₂	3,620	9,570

The company implements seasonal preventive maintenance of thermo-technical capacities and

installations. However, the emission of gases also depends on the quality of the fuel recommended, as well as on the weather conditions.

Greenhouse gas (GHG) emissions

GHG inventory is a systematic inventory and assessment of greenhouse gas emissions. It has been implemented for several years but has been improved since 2023 and is being done through the identification of emission sources, data collection and calculation for two emission ranges.

Scope 1 – direct emissions (arising from the activities of the organization, such as fuel combustion in vehicles, boiler rooms, gases for cooling devices, etc.).

Scope 2 – indirect emissions (emissions generated for the production of purchased electricity, thermal energy, cooling energy, etc.).

The calculation for Scope 3 – indirect emissions arising from the company’s activities, but not directly related to its ownership or control scope (supply chain, transport, end users, etc.) - is not yet being done. The company plans to move in the direction of assessing these emissions in the coming period as well.

Greenhouse gas (GHG) emissions

GHG (tCO _{2e})	2023
Scope 1	12,751
Scope 2	69,375
Total (Scope 1+2)	82,126
GHG emission intensity: ratio of emissions and mobile network traffic (kgCO _{2e} /GB)	2023
	0.29

Vehicle Pool and Fuel Consumption

In 2023, the total number of vehicles was further reduced and the structure of the fleet was changed, in terms of motor fuel. The number of vehicles using diesel fuel has decreased. With this reduction of the fleet, the total fuel consumption (petrol and diesel) was reduced by 2.8%.

All vehicles have engines that conform to at least Euro 6 standard. The majority of vehicles have an option to use additives aimed at reducing the emission of nitrogen oxides. The number of vehicles in the car fleet has been stabilized. Measures to rationalize consumption are also



applied, such as: controlling the movement of company vehicles, optimizing the use of the fleet, using communication tools to reduce the need for vehicles. Employees who use company vehicles are provided with educational video training on economical and responsible driving.

Vehicle pool	2022	2023
Number of vehicles	1,694	1,599
The share of freight vehicles in the fleet	899 (53%)	954 (60%)
Fuel consumption (l)	2022	2023
Diesel	1,353,691	1,267,088
Petrol	1,020,625	1,041,465
TOTAL:	2,374,316	2,308,553
Fuel consumption for aggregates (l)		2023
		59,060

Mtel Banja Luka

As every year, in 2023, in the field of environment and people protection, most attention was paid to the operation of base stations and to the electromagnetic field emitted by their antenna

system. During 2023, 320 reports were prepared on systematic testing of the level of non-ionizing radiation of the electric field from mobile telephony base stations and 1423 reports on measuring the electromagnetic field level at the locations of base stations throughout Bosnia and Herzegovina. Monitoring of the sources of electromagnetic fields at 20 locations of mobile telephony base stations was performed.

According to the Ministry of Health and Social Care, for the purpose of obtaining the licences for the use of base stations, 498 requests were made based on the applicable legal regulations. The Regulatory Agency for Communications has received 858 requests to obtain Safety Certificates for the operation of base stations in the territory of BiH.

The Republic Administration for Inspection Affairs, Health and Utilities Inspectorate, continuously supervised the operation of mobile telephony base stations, and inspections were performed at 20 locations of base stations in the Republic of Srpska.

Sub-goal 12.5

Until 2030 significantly reduce the production of waste through prevention, reduction, recycling and reuse

In the course of various business activities of the Company, several types of waste are generated at different locations. It is managed in accordance

with the Waste Management Plan and the Instructions on Waste Management, which include application of the principles of the waste management hierarchy, i.e. the order of priorities in management practice: preventing, reducing generation, recycling, reusing and disposing. With special waste flows, there is a certain deviation from hierarchy when it is justified by the life cycle, taking into account overall impacts on the generation and management of such waste. In accordance with the regulations, the Company shall report to the Environmental Protection Agency of the Ministry of Environmental Protection the amount of waste generated and handed over to authorized entities.

Compared to 2022, 228 tons less waste was delivered. The reason for this is the fact that during 2022 there was an increase in waste generation due to the modernization of the telecommunications network, and the number of used business premises was reduced, so there were material write-offs.

Amount of waste (t)	2022	2023
Total non-hazardous waste	312.4	200.7
Total hazardous waste	190	73.8
Total hazardous and non-hazardous waste	502.5	274.5



In 2023, the Company collected and handed over 97.35 tons of paper and cardboard for recycling, and by handing over 274.51 tons of waste to be recycled and further handled by authorised entities, it generated revenue amounting to RSD 12,225,112.

Funds invested in the field of environmental protection

Funds invested in the environmental domain relate to funds spent on waste management, servicing of boiler rooms (boilers and burners), servicing of air conditioners due to elevated noise levels, measurement of non-ionizing radiation and noise, support for environmental and biodiversity programs.

Funds invested in environmental protection (RSD)	2022	2023
	3,069,000	40,566,000

The disproportion in the amount between 2022 and 2023 is due to the fact that assets were included in 2023 that were not included in the previous years, and the inventory was improved.

Mtel Banja Luka

In accordance with the practice of responsible treatment of the environment, Mtel places particular emphasis on compliance with the

law, but also on specific activities in the field of environmental and human protection.

As in previous years, in 2023, in accordance with the agreement on the transfer of obligations related to electrical and electronic equipment waste disposal and management in the territory of FBiH, Mtel regularly performed all its obligations towards the company which is the operator of the system authorized by the FBiH Environmental Protection Fund. The obligations of the authorized system operator are to collect and recycle electrical and electronic waste from products sold in the market of the BiH Federation via Mtel points of sale or otherwise. This directly contributes to environmental protection in the territory of FBiH. For the quantity of packaging waste placed in the territory of Republika Srpska, a fee was paid to the competent company to be spent for the purpose of financing environmental projects. For the quantity of packaging waste placed in the territory of FBiH, a fee was also paid to the Environmental Fund of FBiH to be spent for the purpose of packaging waste management.

In accordance with the Law on Waste Management of RS, the RS Environmental Protection and Energy Efficiency Fund was provided with a report on the quantities of electrical and electronic products and equipment placed in the RS market and the relevant fee was paid accordingly. It is to be spent for the purpose of financing projects in the field of environmental protection.

YUNET

YUNET implemented the Environmental Protection Policy in its operations, in accordance with the requirements of the ISO 14001 standard. The key ecological goals and indicators in 2024 are as follows:

- Reduction of power consumption by 2% as compared to 2023;
- Reduction of fuel consumption by 2% as compared to 2023;
- 100% harmonization of waste management;
- Operation without incidents related to environmental protection; and
- Innovating IMS knowledge at least once a year.

YUNET continuously implements activities aimed at the environmental protection:

- Regular disposal of communal waste;
- Regular, in clear time intervals, removal of consumed toners for printers from business premises;
- Replacement of damaged electronic and electrical components (routers, modems, etc.) and fluorescent tubes by engaging the registered companies;
- In clear time intervals, review filing materials in the archive and packaging waste (paper, cardboard, PVC); and

- Rational and planned procurement of modems, routers and other equipment, without excessive stockpiling in the warehouse and procurement of only those materials that can be ecologically disposed of or recycled after their life cycle.

Sub-goal 12.8

Until 2030 ensure that people everywhere have relevant information and awareness about sustainable development and style of living in harmony with nature

Telekom Srbija has been using its resources for several years to inform and educate the public about sustainable development and the connectedness of all biological species in a single network constituting life on Earth. By the campaign entitled “Let’s preserve the most important network. The network of life”, as a part of the project dubbed “No species dies alone”, in 2023, the key species were presented: the ground squirrel, golden eagle, fish and the bear, and their interaction and interconnection with man is shown by a branchy telecommunications network. By such a symbolic meaning of mutual relationships, the Company emphasized the importance of preserving biological diversity for the survival of life on the planet.



Apart from this, through the traditional communications channels and through the new media as a form by which messages can be conveyed to a larger number of people, we can raise the awareness of people of the need to achieve harmony of life with nature, without which there can be no sustainable future.



Sub-goal 13.3

Improve education, raise awareness and human and institutional capacities for mitigating climate change and adjusting, reducing their impact and early warning

Through the internal portal, through the module “Moje učenje”, Telekom Srbija designed video-lectures for employees with tests for checking the acquired knowledge related to ecological crisis, protection of biodiversity, environmental aspects. Climate change is also included by these lectures. A total of 2,886 employees have undergone the training and successfully passed the tests.

At the end of 2023, the Company started creating special lectures, which refer to the impact of climate change, risks that these changes bring, the need to reduce the emission of GHG gases, by means of adequate measures.



Sub-goal 15.5.

Undertake immediate and significant activities to reduce the degradation of natural habitats, impede the loss of biodiversity, and by 2020 protect endangered species and prevent their extinction

Symbolically, on Planet Earth Day, Telekom Srbija launched a new campaign with an important message “Let’s protect the most important of all networks. The network of life”. The campaign is the continuation of a long-term project in the sphere of the protection of biodiversity “No species dies alone” and it was implemented with an aim of additionally pointing out that every species has an irreplaceable role in the network of life – a network without which the sustainable future of the planet and people is unimaginable.

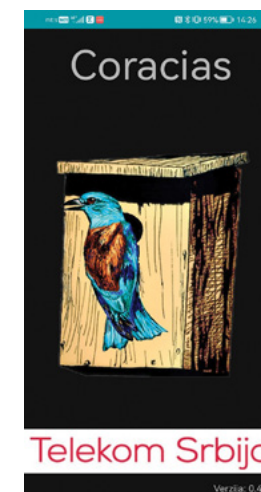
Aware that the problem of destroying biological diversity is very complex and that the process of species extinction cannot be stopped quickly,

the Company continued to provide manifold support to partner organizations in the programs for the protection of the griffon vulture, the European roller, the short-toed eagle and owls. In 2023, cooperation was established with the Ecological Association “Čuvari Prirode” from Požega in the protection of the golden eagle, another strictly protected species in our country. In cooperation with the National Park Tara in the previous period, activities were carried out in the protection of mammals, when, for the first time in Serbia, a brown bear individual was marked by a special GPS/GSM collar with a camera, while the newly established cooperation with the Biological Faculty in Belgrade helps continue the support of the Company for the protection of brown bears, and especially the significant species such as the ground squirrel, beavers and lynxes.

With the financial help that the associations and experts use for the procurement of specialized equipment and for the performance of field activities, the Company provides a great support for science in the protection of the key species. A powerful telecommunications network allows data transmission from the inaccessible areas of our country, by which the experts can follow the behaviour of endangered species in order to plan protection measures.

Telekom Srbija helped create a mobile application for experts working on the protection of the

endangered species of the European roller (*Coracias garrulus*). The application made it possible to make the exchange information, the analysis of the population dynamics and planning of the next steps in the active measures of protection and repopulation of the species far more efficient and the results better.



Within the business activities, a procedure was established according to which, if we notice that during field work there is a possibility to endanger a strictly protected or protected animal species, an employee has an obligation to inform an expert within the Company, in order to establish what species it is, and who will, depending on the situation, inform the relevant institutions in order to apply appropriate protection measures.

In 2023, several nests of white storks (*Ciconia ciconia*) were found on the telecommunications poles of the Company that are not safe, because they endanger the transmission network, prevent the workers to carry out interventions, but are also risky for the birds themselves. The company in accordance with its goals of preserving biodiversity and safety at work undertakes measures to relocate these nests to appropriate

safety platforms respecting the Nature Protection Law and according to the terms prescribed by the Provincial Nature Protection Institute.



The employees become acquainted with the current status of global biodiversity and the risks threatening to harm the ecological balance due to the fast extinction of the species and the ecosystems through specially created video-lectures.

In order to increase safety at work regarding field work and at the same time work on the preservation of biodiversity, two specific lectures were designed containing a description and ways to recognize all species of snakes in Serbia, safety measures that should be applied in the field, and raising awareness of protecting this group of strictly protected animals whose role in the ecosystem is irreplaceable.



Sub-goal 16.1.

In all places, radically reduce all forms of violence and the related death-cases

Respecting the rights of employees is the basic obligation in achieving the harmonization of internal relations. In Telekom Srbija as a parent company, we established, via an internal portal, two channels for protection of the employees through which the employees can resolve open issues related to the labour related rights and obligations.

- Ask human resources and
- Labor and legal counselling within which the employees can address an expert team of lawyers for all kinds of assistance in achieving and protecting their labour and legal status in accordance with the legal and internal by-laws.

The Rules on Personal Data Protection define the basic principles and rules of conduct in the field of personal data processing and protection, considering the probability of risk and the level of risk to the rights and freedoms of individuals.

To protect each and any employee from discrimination and mobbing, a court proceeding was instigated in 2023, in accordance with the Law on the Prevention of Mobbing. Likewise, in accordance with the Law on the Protection of Whistleblowers, a person was appointed for the receipt of information and introduction of a whistleblowing procedure.

Within the Telekom Srbija Group, trade unions are registered in Telekom Srbija, Mtel Banja Luka and Telus, while the trade unions of Telekom Srbija have some 6,971 members.

A total of 10 trade unions are registered in Telekom Srbija, of which 2 are representative trade unions. Also, within Telekom Srbija, there are associations gathering over 1,300 members.

- Association of Fitters for the Telecommunications Network of Serbia
- Association of Engineers of Telekom Srbija
- Association of Shareholders Employed in Telekom Srbija PE PTT Traffic Srbija
- Humanitarian Association of Employees in Telekom Srbija "From the Heart"

- Humanitarian Association of Employees in Telekom Srbija “In the heart”

Podcilj 16.5.

Significantly reduce corruption and bribery in all their forms

In its operations, Telekom Srbija applies ethical and professional standards in the struggle against corruption. The internal by-laws regulating the struggle against corruption are available to all employees.

The Rules of Procedure of Internal Whistleblowing, based on which the Decision on appointing a person to receive information and conduct a procedure related to whistleblowing was adopted, defines acting on the information for the purpose of determining and removing the irregularities indicated by the information.

The Code of Corporate Conduct of Telekom Srbija defines the suppression and prevention of corruption and bribery, and other illegal actions.

In accordance with the Law on Corruption Prevention, the company conducted a training program of employees in the sphere of corruption prevention and integrity strengthening, in the following ways:

- Through an online platform of the Agency for Corruption Prevention
- Through internally created video materials on the online platform “Moje učenje”
- Through live workshops, held by the internal trainer certified for conducting the relevant decision by the Agency.

In this way, the company fulfilled the objectives of the training - to enable the participants to acquire knowledge about ethical principles, better understanding of regulations and a uniform understanding of what is acceptable behaviour within the public institutions and at the same time fulfilled the legal obligation.

With the integrity plan, Telekom Srbija aims to establish a mechanism for ensuring efficient and effective functioning by strengthening responsibility, simplifying complicated procedures, increasing transparency in decision-making, controlling discretionary powers, strengthening ethics, eliminating inefficient practices and inapplicable regulations, as well as introducing an effective system of supervision and control.



Sub-goal 17.17.

Support and promote effective public, public and private partnerships and civil society partnerships built on the experiences and strategies of finding resources for the partnerships



Global Compact Network Serbia

In 2023, Telekom Srbija, was a member of the following organizations, institutions and knowledge bases

- Cullen International
- European Telecommunications Network Operators Association (ETNO)
- Gartner Inc
- GSM Association (GSMA)



5. IEEE
6. IoT Forum
7. LoRa Alliance
8. TeleManagement Forum (TMF)
9. United Nations Global Compact Network (UNGCN)
10. Responsible Business Forum (FOP - Smart Collective)
11. Digital Serbia Initiative (IDS)
12. NALED
13. Foreign Investors Council (FIC)
14. Serbian Association of Managers (SAM)
15. Association of Corporate Directors of Serbia (UKDS)
16. CFO & Controlling Club
17. Serbian Philanthropic Forum
18. British Serbian Chamber
19. Serbian HR Community,
20. International Association for Marketing Communications (IAA),
21. Association of Business Women of Serbia, and
22. Serbian Chamber of Commerce.

In terms of social communication, socially responsible and sustainable operations, Telekom Srbija has always been a prominent member of society and always made a significant contribution and its personal stamp. Within the memberships related to the mentioned area, Telekom Srbija has, among other things, closely cooperated with the Forum for Responsible Business (FOP) in establishing a permanent and stable CSR

(Corporate Social Responsibility) practice in operations, with the Serbian Philanthropic Forum (SFF) through various charitable actions, and with the Association of Business Women of Serbia, where special emphasis was placed on female entrepreneurship as a factor of economic growth.

In the field of environmental protection, we note that Telekom Srbija has been a member of the United Nations Global Compact (UNGC) since 2010, so it fully follows the sustainable development goals of the 2030 Agenda and operates in accordance with the ten universal principles of the UNGC areas of human and labour rights, environmental protection and the fight against corruption. In addition to the above, during the year 2023, through membership in NALED, operational work in the Alliance for the Environment was started, in order to provide an adequate response to environmental issues and regulations.

Most of the other memberships refer to the development of Telekom Srbija in the direction of a modern, digitally oriented company, oriented towards the user, all the while following the latest trends in telecommunications and ICT, with the aim of maintaining and improving the leadership position on the market.

As a summary, all of the above additionally contributes to the recognition of Telekom Srbija in these important areas for business, thus securing a prestigious position among numerous socially

responsible companies, both in Serbia and at the global level.

Mtel Podgorica is a corporate member of the following organizations:

1. AMM – Montenegrin Managers Association,
2. AmCham Montenegro – American Chamber of Commerce,
3. MBA – Montenegro Business Alliance,
4. Employers Union,
5. Montenegrin Chamber of Commerce,
6. MFIK,
7. GSM Association

Mtel Banja Luka is a corporate member of the following organizations:

1. AKOP - Association of Cable Operators
2. FIC- Foreign Investors Council
3. GSM- Global System for Mobile Communications
4. TM Forum- TeleManagement Forum
5. AmCham- American Chamber of Commerce u BiH.

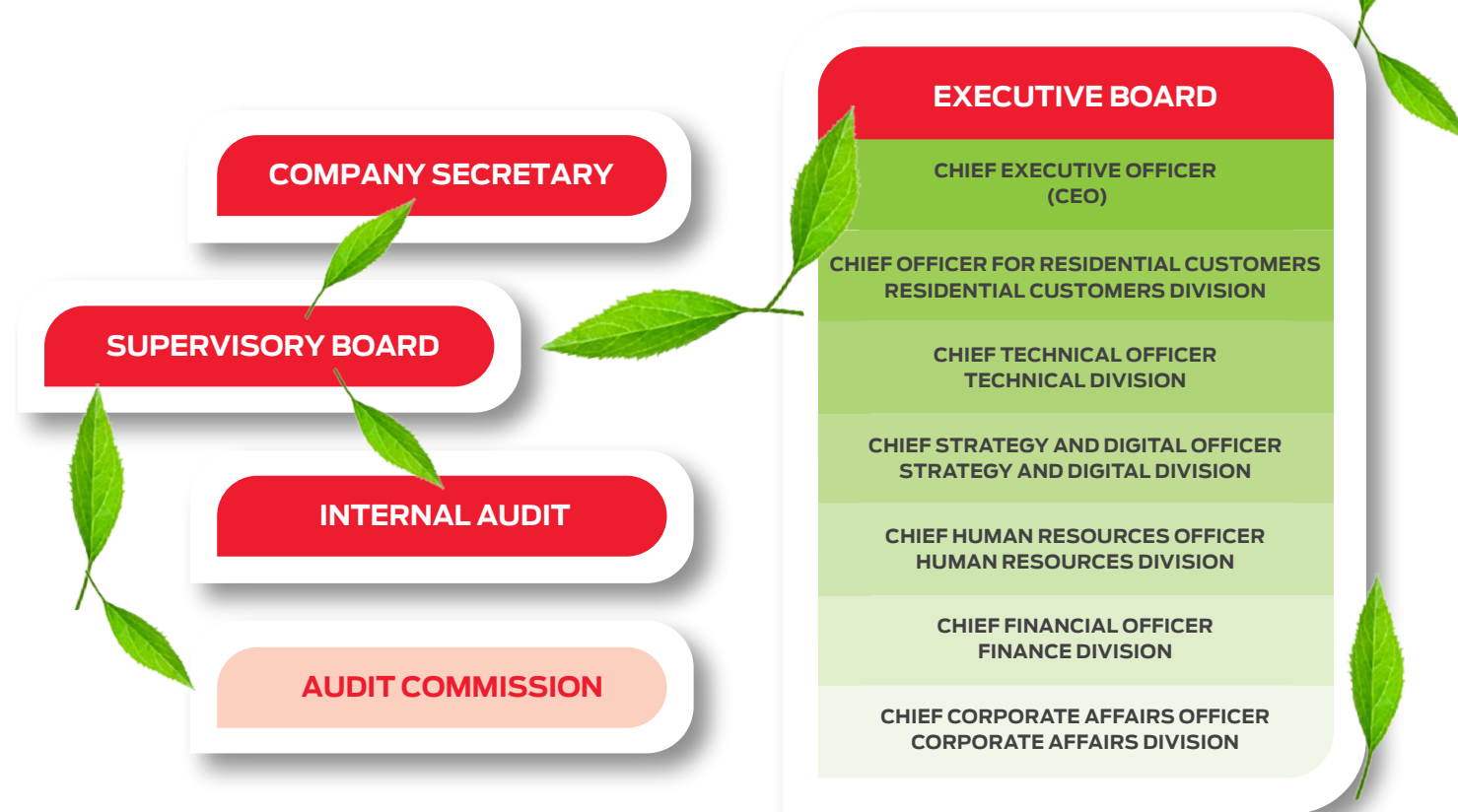
GOVERNANCE 04



GOVERNANCE

The members of Telekom Srbija Group act in a responsible manner by adopting all the necessary corporate policies, in which the rights and responsibilities of the interested parties are taken into account, and this way of managing the corporation guarantees its success. In our group, there is a deep-rooted awareness that management is key to building public faith and trust in our business

Corporate governance structure



Corporate governance

In accordance with the diversified business activities of the members, governance within the Group is conducted at the level of individual companies.

The corporate structure of Telekom Srbija, in accordance with the applicable regulations and internal by-laws, corresponds to the corporate structure of a joint-stock company, and management is organized in two tiers, and the bodies are the General Meeting, the Supervisory Board and the Executive Board. In addition, the corporate governance system includes special bodies and organizational units that provide professional support for the implementation and improvement of the entire corporate system (Commission for the Audit of the Supervisory Board, as well as the Internal Audit and the Secretariat). The corporate bodies of Telekom Srbija cooperate to the greatest extent possible in the performance of their duties, especially in terms of information exchange, regular communication and reporting. Telekom Srbija develops mechanisms and fosters a culture of cooperation between the corporate bodies in the exercise of control over the operations of Telekom Srbija, as well as in the field of planning, formulation and implementation of Telekom Srbija strategies.

The General Meeting of the Company comprises all shareholders of Telekom Srbija a.d. Beograd. In 2023, the 61st regular session of the General Meeting was held. The Supervisory Board conducts the activities falling within its competence in compliance with the applicable legal regulations. In accordance with the shareholders' rights, Telekom Srbija a.d. Beograd every year pays dividends to its shareholders, based on the generated profit for the previous business year. In December 2023, dividends were paid in the amount of RSD 6,720,000,000.00.

As part of corporate governance, activities related to encouraging the development of corporate governance of subsidiaries are carried out, following the principles of the Corporate Governance Code of Telekom Serbia. The corporate governance system at the level of the Telekom Group is based on the provision of legal support through the coordination of the corporate-legal practice of the corporate bodies of Telekom Serbia and its subsidiaries, as well as the coordination of other activities in the corporate-legal segment of business of importance for Telekom Serbia and its subsidiaries, including activities to encourage the establishment of a unique corporate-legal practice at the level of Telekom Srbija and its subsidiaries, while respecting the legal and regulatory circumstances in which the subsidiaries operate.

Corporate governance code

Telekom Srbija applies the Code of Corporate Governance regulating, inter alia: the rights of shareholders, remunerations and rewards for members of the corporate governance bodies, public relations, disclosure of data and transparency and promotion of the corporate system. The Supervisory Board of the Company is in charge of applying and construing the Code, and regularly monitoring its application and compliance of the corporate organization and activities with the Code.

Telekom Srbija implements the Diversity Policy regarding membership in corporate bodies - the Supervisory and Executive Board, which provides guidelines for the creation and implementation of diversity management practices regarding membership in Telekom Srbija's corporate bodies. The implementation of the Diversity Policy ensures the complementarity and diversity of membership in corporate bodies, taking into account the representation of all aspects of diversity that contribute to the qualitative improvement of decision-making and management, which are key to sustainable business and provide support for further development.

Mtel Banja Luka

Mtel Banja Luka has its own Code of Conduct and

Corporate Governance, which it fully applies and which establishes in more detail the mechanism of functioning of the Company's bodies and the protection of interests in the mutual relations between various stakeholders in the Company.

The Company Code was established based on the Law on Business Companies, Corporate Governance Standards adopted by the Securities Commission of Republika Srpska, and based on the principles of corporate governance adopted by the Organization for Economic Cooperation and Development (OSCE), which ensures an efficient implementation of the corporate governance principles and which refers to the rights and equal treatments of the shareholders, the role of interested parties – stakeholders in management of the Company, publishing and publicity of information and the role and responsibility of the boards.

Telekom Srbija as the catalyst

Mission:

Through a synergy of experience and new knowledge, we are transforming ourselves, continually promoting customer satisfaction. We provide our customers with impeccable connections and top-quality digital experience anywhere anytime, thus becoming their first choice on the markets we operate in.

Vision:

A reliable global partner in a digital world without borders.

Values:

Customers

All our activities begin and end with our customers. Satisfied customers are our greatest value. Through advanced technologies and digital services we develop and provide, we endeavour to generate needs and exceed their expectations, creating an outstanding user experience.

Team

Agile teams are the key to success in a digital era. We are creating a synergy of knowledge, skills and experience. We are open to different opinions and we respect diversity. We are guided by joint objectives and we share the same values in everything we do. We celebrate success and foster a culture of togetherness.

Responsibility

We take responsibility for the results of our work. The way we approach work reflects our willingness to take initiative, deliver more than expected and contribute to the success of the team and the company we work for. Through our actions, we build trust and create value for our customers,

partners, shareholders and society as a whole.

Changes

We are changing ourselves and our business environment. We recognize opportunities for business improvement and digitization. We boldly explore new opportunities, and new markets. We ensure sustainable growth and development with creative and innovative solutions. We encourage initiative and constantly acquire new knowledge and skills for the digital age.

Result

We are focused on the result and we achieve it together. We do the right things in the right way and we strive for excellence in everything we do. We are not afraid of making mistakes, but of not trying. We are dedicated and persistent in achieving our goals, which is why we remain the first choice of the customers.

Mtel Banja Luka

The mission and vision of the Company were defined by the Strategic Business Plan of Mtel Banja Luka, for the period 2022–2026:

Mission:

“Based on several decade-long experience and continuous transformation and modernization of operations, we keep enhancing our customers’

experience. We provide them with seamless connectivity and a superior digital experience everywhere and at all times, thus becoming their first choice in the markets where we operate“.

Vision:

“A recognized global player in a digital world without borders“.

The Mtel Banja Luka company operates respecting the basic values which are the expression of common belief and have an especially important role in everyday business life.

Corporate culture

In the conditions of dynamic development of technologies and strong competition in the telecommunications market, we want not only to strengthen our leading position in all market segments, but also dictate trends and be pioneers in innovation. In order to achieve this, it is necessary to continuously acquire new knowledge and skills and to adapt quickly to changes. Also, what we believe in and how we behave in our daily work and in our relationship with others largely determines the extent to which the corporate culture supports the future development of the company. That is why it is important to promote positive behaviour in the Company that will encourage the employees to be innovative, to be promoters of our services whenever they have the opportunity and give their

best in the execution of tasks.

Corporate culture is directly correlated with employee engagement. A positive culture, i.e. a culture of high results, fosters a sense of belonging, purpose, respect for common values, and thus affects greater employee satisfaction and engagement. In addition, it creates an environment in which employees feel motivated, valued and connected to the company's mission and vision, i.e. the strategic goals of the company. That is why it is said that highly engaged employees shape the working atmosphere and contribute to the creation of a positive culture, i.e. a culture of high results.

In this regard, at the end of 2023, a survey was conducted on the level of employee engagement, as a key dimension of corporate culture, by measuring the basic dimensions and their main driver: focus on results, loyalty and commitment to the company and personal development, identification with the team and satisfaction with work and other aspects of work, including establishing a balance between private life and life at work. The questionnaire was filled out by 40% of the employees, which represents a significantly higher response than over the previous years. The analysis of all dimensions established the positive characteristics of the overall engagement of employees, as well as the space for their improvement, which will be the basis for taking additional measures in the coming year.

The development of culture is also significantly influenced by Communities - a virtual place where employees can communicate with their peers, share information, knowledge and experiences. In the last year, 2 new communities were opened, so that there are 8 communities overall. The communities recorded a high attendance - during 2023, 85% of employees joined the Communities, which shows that the employees are turning to digitalization to a large extent and understand the importance of digital transformation. At the same time, their engagement and motivation for work is strengthened in this way, which is essential for the development of corporate culture and increasing the efficiency of the company.

Acts are in force that direct employees to promote corporate values inside and outside the Company:

- Code of corporate conduct
- Business dress code
- Business communication standards

Corporate conduct code

Telekom Srbija adopted the Corporate Conduct Code, which, among other things, includes the segments of conflicts of interest, suppression and prevention of corruption and bribery, money laundering, competition issues, environmental protection and prohibition of discrimination.

Conflict of interests

Employees of the Company make maximum efforts and advocate compliance with the duty of avoiding a conflict of interests in the implementation of operations in which the Company is involved and, in the implementation of all activities, they are obliged to act exclusively in the interest of the Company. Membership in different organizations must not affect the quality of work, or be in conflict with the Company's business interests. In cases where the employee is or is suspected to be in the situation of a conflict of interests in which it favours a person who is related to the employee, or is in a friendly or business relationship, etc., as well as in a situation in which personal interests can, could, or seem as if they could be placed above the interests of the Company, he is obliged to inform his immediate superior about this by reporting jobs and actions in which there is a personal interest or the interest of persons related to him (in terms of applicable regulations).

Suppression and prevention of corruption and bribery

The company prohibits corruption and bribery in its operations and undertakes to take measures to prevent corruption and bribery.

An employee may not make or receive a gift, which implies a thing, right or service, given or done without an appropriate compensation, that is,

a benefit or convenience, except for a protocol-related or suitable gift, in terms of the applicable regulations that regulate the matter of preventing corruption.

Money laundering

The company undertakes all necessary actions within all the activities in order to prevent money laundering as a criminal offense, which involves concealing the source of money associated with criminal activity and/or transferring income from illegal activities into funds whose source is shown to be legitimate. The company operates with renowned business partners, who operate in accordance with the applicable regulations, using funds that come from legal sources. The employees of the Company should be as careful as possible, in case they discover payment irregularities or suspicious behaviour of customers and other persons, and report such actions to the competent organizational unit or person.

Competition issue

The company is aware of the importance of competition protection for the development of the market and the protection of the interests and rights of consumers/users of our services, and in its operations, it is fully committed to complying with the regulations in the field of competition protection that ensure legal, fair and ethical market competition. The company is clearly determined

to act according to the principles of competition protection and the rules of the free market, compete on the market with a quality and unique offer of services and build professional relationships with competitors in good faith.

Personal data protection

The Company adopted the Rules of Personal Data Protection which define the basic principles and rules of conduct related to personal data processing and protection, taking into consideration the likely risks and risk level for the rights and freedoms of individuals.

Environmental protection

The Company is taking environmental protection measures adopting ecologically-oriented technologies and methods in order to reduce the negative impact on the environment. In conducting its activities, the Company pays attention to environmental protection aspects such as: rational energy consumption, prevention of waste generation, regular disposal of waste and its recycling. By investing in and implementing the state-of-the-art telecommunications technologies, the Company contributes to the application of clean technologies and the technologies consuming less energy as compared to devices used over the past decades.



Discrimination ban

The company prohibits any unjustified discrimination or unequal treatment, i.e. omission (exclusion, limitation or giving precedence), in relation to persons or groups as well as members of their families, or persons close to them, in an open or covert manner, which is based on race, skin colour, ancestry, citizenship, national or ethnic affiliation, language, religious or political beliefs, sex, gender, sexual orientation, property status, birth, genetic characteristics, health status, disability, marital and family status, criminal record, age, appearance, membership of political, trade union and other organizations and other real or assumed personal traits.

The company accepts and promotes the principle of diversity of employees.

Integrity plan

In accordance with the Law on the Prevention of Corruption, the Company has adopted an Integrity Plan, which is the result of a self-assessment procedure of the company's exposure to risks for the emergence and development of corruption and other irregularities. The purpose of the integrity plan is to establish a mechanism that will ensure the efficient and effective functioning of the company through the strengthening of responsibility, simplifying complicated procedures, increasing transparency in decision-making, controlling discretionary powers, strengthening ethics, eliminating inefficient practices

and inapplicable regulations, introducing an effective system of supervision and control.

Mtel Banja Luka

Mtel Banja Luka has its own Code of Conduct and Corporate Governance. The provisions of the Law on Business Companies, Corporate Governance Standards, the Articles of Association and other by-laws of the Company directly apply to all matters not regulated by the Code. Mtel's statement of compliance of the organization and operations with the Code of Conduct and corporate governance standards, was published on the company's website in the "Investors" section (www.Mtel.ba) and on the website of the Stock Exchange (<http://www.blberza.com>).

The subsidiaries within the Mtel Group: Logosoft, Blicnet and Finance, also comply with the highest standards of corporate governance, which are a prerequisite for quality and long-term relations with users, partners and various stakeholders.

Other members of the Telekom Srbija Group

In the companies Arena Channels Group, Mtel Global, TS Ventures d.o.o. Beograd, mts d.o.o. and Mtel Turkey Telekomünikasyon Limited Company, management is organized in one tier, which means that the corporate bodies of the company are: the general meeting and the director. In other companies of the Telekom Srbija Group, management is organized in two tiers.





Telekom Serbia Group



RISKS

Telekom Srbija

The Company strives to establish an Integrated Management System with the aim of establishing a unique framework that will reduce recognized risks to an acceptable level, i.e. to a level that the Company is ready to undertake.

Within the implemented individual management systems, Telekom Srbija has adopted policies that are aligned with the company's organizational structure and its planning documents. These systems provide a framework for defining, implementing and evaluating goals, confirming the company's commitment to continuous improvement. Documented policies are available to all employees via internal platforms and publicly on the company's website. Employees are introduced to policies and through training and activities to improve awareness of information security, data privacy, processes and other requirements of the standard.

The goals of the Integrated Management System are derived from the Company's business goals and strategy. The business processes necessary for the implementation and functioning of the system, their inputs and outputs, as well as the interconnections between the processes, were identified. Also, methods of measurement,

monitoring and analysis of business processes, measures related to risks, resources necessary for the execution of the process were identified and roles, responsibilities and authorities were assigned for each process.

The integrated management system (IMS) of Telekom Srbija includes:

- ISO 9001:2015: Quality Management System
- ISO 27001:2013 and 27701:2019: Information Security Management System and Privacy Information Management System
- ISO 20000-1:2018: Service Management System
- ISO 22301:2019: Business Continuity Management System
- ISO 45001:2018: Occupational Health and Safety Management System
- ISO 14001:2015: Environmental management system

An integrated management system is characterized by the combination of two or more management systems into a single comprehensive system, with continuous optimization of business processes and reduction of business costs. The synergies created by IMS also direct the focus on risks and opportunities within the company.

The continuation of the implementation project of the Environmental Management System (ISO 14001:2015) certainly marked the year 2023.

The scope of application of the requirements of the 14001:2015 standard was extended to the following facilities: TCC Novi Sad, Niš and Kragujevac, and the company was presented with a new certificate.

Starting from its strategic commitments and understanding the importance of sustainable development, the Company adheres to the principle that environmental protection is one of the fundamental values of the Company and a key factor in the successful implementation of all business activities, regardless of their type, content or location. The constant application of organizational, technological, technical and other appropriate measures and means in order to eliminate or reduce the impact on the environment is an inseparable part of business, and compliance with legal and other requirements in the field of environmental protection, including the requirements and expectations of the entire society, is an indispensable part of the work. Obtaining a certificate of compliance with the ISO 14001:2015 standard, in addition to the said undoubtedly important results in the field of environmental protection, also has very positive effects on the image and position of the Company in the business environment. At the same time, it also imposes a great obligation on all employees of the Company to be properly committed to the preservation of the environment, in order to leave a better environment for posterity.

Mtel Banja Luka

Mtel has established an integrated management system (Integrated Management System - IMS) that integrates the requirements of two implemented international standards (ISO 9001:2015 and ISO/IEC 27001:2013), for all business processes in the company. The introduction of ISO standards improves business and contributes to the harmonization of relations with all interested parties.

At the end of 2023, an external supervisory check of the company was carried out, for all business processes, based on both implemented standards, and the result was the retention of the existing certificates. External and internal verification of the company based on the implemented standards is carried out in accordance with the plan, on an annual basis.

The introduction and maintenance of ISO standards has brought multiple benefits:

- Quality - ISO standards help ensure the quality of products and services, which increases the reliability of services, the efficiency of business processes and positively affects user satisfaction,
- Information security - provides adequate protection of information of the company, users and other stakeholders in all stages of processing, because at all levels of the

organization and by all employees there is a clearly defined division of tasks and responsibility for information security,

- Compliance - operations in compliance with the requirements of international standards strengthen the recognition of the company's brand and ensure competitiveness on the market,
- Efficiency - errors are eliminated and performance is improved through the optimization of business processes,
- International recognition - maintaining existing ISO certificates as well as planning new ones, contributes to the company's reputation and increasing the trust of all stakeholders,
- Innovation and competitiveness - standards constantly encourage continuous improvement of the process, technology and work style, which increases innovation and competitiveness on the market.

ISO 9001:2015 QUALITY MANAGEMENT SYSTEM

The Quality Management System (QMS) represents the structure and processes that the company establishes to ensure that the service and products meet the quality requirements and expectations of all interested parties. The implementation of the quality management system, in addition to being a strategic move that guarantees the quality of the service or product, is also a framework for continuous improvements,

constant conformity and compliance, and further improvement of the company's competitiveness.

In addition to the usual advantages (quality, increase in efficiency, conformity and compliance, certification, continuous improvement, increase in competitiveness), there are additional advantages brought to us by the implementation of the quality management system:

- Higher customer satisfaction - QMS allows focusing on quality, which leads to services and products that better meet customer needs, thus increasing loyalty and good reputation,
- Better decision-making - top management makes fact-based decisions because the QMS provides relevant performance data,
- Risk reduction - risk management, as an important part of QMS, helps to identify, analyse and reduce risks related to processes, products and services,
- Encouraging cooperation and teamwork - employee engagement at all levels contributes to better communication and cooperation within the company,
- Openness to changes - the company adapts more easily to changes through the framework established by the QMS, whether it is slow or fast changes in the market, the introduction of the latest technologies, or new user requirements



ISO/IEC 27001:2013 INFORMATION SECURITY MANAGEMENT SYSTEM

The implemented information security management system (Information Security Management System - ISMS) shows service users, business partners and other stakeholders that the Company has established effective information protection measures.

By complying with the requirements of the ISO/IEC 27001 standard and ISMS system certification, the company derives numerous benefits, namely:

- User trust – the Company builds trust of existing and future users of the company in its information systems. Users have reliable access to secure telecommunications services, which allows them to feel protected and secure during every interaction,
- Risk management in business operations - by establishing a risk management system, it acts proactively on potential system vulnerabilities and thus increases the company's resistance to various threats,
- Improvement of business relations - more advanced understanding of information flows in the company, which achieves significant profit and improvement of business processes,
- Improving security - by constantly investing in security, the company guarantees the protection of sensitive data and information, and through

the implementation of security systems, policies, processes and employee training, we achieve greater elasticity and resistance of the company to various challenges.

In 2023, the Logosoft subsidiary retained five prestigious internationally recognized certificates, which testifies to its compliance with the requirements of international ISO standards, namely:

- ISO/IEC 27001:2013 for information security management system,
- ISO/IEC 20000-1:2018 for IT service management system,
- ISO 9001:2015 for quality management system,
- ISO 22301:2019 for business continuity management system,
- ISO/IEC 27701: 2019 for information privacy management system.

In addition, the implementation and certification by the additional standard ISO 18295-1:2017 for the management of Logosoft customer contact centre services was carried out.

The above activities confirmed the position of the regional leader in the field of the management of information security and privacy, services, quality, business continuity and customer contact centre.

Risk management, conducted in accordance

with the ISO 31000 Risk Management standard, enables Logosoft to continuously achieve the set goals through implemented ISO standards. Through the risk management process, Logosoft increased awareness and understanding of the need to identify and treat risks in the company for information security and privacy, service management, service quality, business continuity and customer contact centre management.

mtel Podgorica

Risk management is aimed at minimizing potential negative impacts on the financial position and operations in a situation of unpredictability of financial markets. Risk management is defined by accounting policies, financial policies and the Company's Statute, adopted by the Board of Directors.

mtel Podgorica is not significantly exposed to the risk of foreign currency exchange rates when doing business in the country and abroad, because the majority of business transactions are carried out in EUR.

The company performs an analysis of exposure to the risk of interest rate changes on a dynamic basis, taking into account alternative sources of financing and refinancing, primarily for long-term liabilities, because they represent the most significant interest-bearing position. There is an exposure to the risk of changes in service prices due to the



intense competition in all services, which is why it tries to compensate for by introducing a variety of services. The company is exposed to credit risk to a limited extent.

The board of directors manages the capital risk by acting in individual cases to mitigate the risk and ensure the conditions for the continuation of the intended business concept, as well as the maximum payment of compensation to the founders through the optimization of debts and asset balances.

Other members

Telus

Telus manages risks in accordance with the adopted Risk Management Strategy. In order to manage risks, Telus has the following certificates

- ISO 9001:2015
- ISO 45001
- ISO 14001:2015
- ISO 27001.

In addition to the aforementioned control mechanisms, in order to reduce risks to an acceptable level and minimize their negative impact on the achievement of Telus' goals, the following measures are also applied:

- authorization is mandatory for access to all software applications used in the performance

of business activities and electronic databases;

- application of IT protection systems (implemented by the parent company);
- separation of duties and responsibilities and authorizations (in accordance with internal regulations and procedures), which prevents the same person from being responsible for authorization, execution, posting and control activities;
- application of the double/multiple signature system, according to which no obligation can be assumed or payment made, or other business activity performed, without the signature of the director and competent manager and/or other person designated by the director (whereby, apart from the control function, minimize the risks that may arise from insufficient coordination of managerial and operational level actions);
- control of access to funds and information (only authorized persons have regular access);
- prior checking of the legality of each activity (by a person designated by the director);
- complete, precise, accurate and timely recording of all transactions - which is specified in the Rules of Accounting and Accounting Policies;
- reporting and overview of activities (regular/monthly financial statements and reports on the implementation of the business plan, as well as reports of territorial centres on realized business activities, by type of services);
- monitoring the implementation of procedures;
- application of the human resources management procedure;

- documenting all transactions and business activities with appropriate authentic documents;
- engaging staff in a flexible manner based on contracts for performing temporary and occasional jobs, through employment agencies and by concluding a fixed-term work contract for the duration of the project, i.e. a specific contract for the provision of services

YUNET

The management has established the Policy of integrated management systems and the Information Security Policy established on the procedural principle based on risks and opportunities. The policy of integrated systems is implemented according to the requirements of the standard:

- ISO 9001:2015
- ISO 14001:2015
- ISO 45001:2018
- ISO/IEC 27001:2013.

The management has the obligation to continuously review and improve, in order to constantly comply with the requirements of the standards, the Policy of integrated management systems and the Information Security Policy.

TELEKOM SRBIJA GROUP DIGITAL SOLUTIONS AND RESPONSE TO ESG

This time, we left the catchphrase in English “practice what you preach” for the end, so we take the opportunity to look at the digital solutions of Telekom Srbija Group as our response to ESG in this report.

In recent years, digital solutions have made a significant contribution to achieving ESG goals. It is precisely digital solutions that provide organizations with tools and resources for sustainable business and responsible management. This transformation brings benefits, both for the organization itself, and for the wider society and the environment.

The implementation of digital solutions enables organizations to actively participate in the achievement of sustainability goals, by contributing

to the preservation of the environment, increasing the level of transparency and responsibility, encouraging social inclusion, more efficient use of resources, improving management, and analysing data aimed at improving sustainability.

Telekom Srbija is focused on achieving ESG goals and through the active implementation of digital solutions. This commitment is reflected in the internal implementation of sustainable solutions, as well as in the provision of a representative portfolio of digital solutions intended for the public sector, economy and citizens.

The digital solutions provided by Telekom Srbija for customers from the public sector and business are presented below:

ePISMONOŠA

ePismonoša is a unique platform that enables qualified electronic delivery of documents in the fastest and safest way and without paper. The

platform is accredited by the competent Ministry of Information and Telecommunications.

The transition to paperless business effectively contributes to the optimization of business, because, among other things, it contributes to the reduction of the volume of printing/paper consumption, but also to the reduction of the volume of transport for the delivery of documentation.

The ePismonoša platform is a platform for electronic business that combines services such as internal and external exchange of documents, remote signing of documents with the use of qualified electronic certificates, services for office and archive business, qualified time stamp, and services for qualified electronic storage of documents.

ZA MOJ GRAD

The digital platform **Za moj grad** was developed

by Telekom Srbija as a comprehensive solution intended for local governments, public and utility companies, tourist organizations, educational institutions and other users from similar activities, as well as for citizens themselves. Relevant services provide for more effective communication between local government representatives and citizens in order to create better conditions for life in their communities, such as improving the safety of children and citizens, solving communal problems or improving the environment.

The platform is suited to the digitalization needs of local governments, and consists of a mobile and a web application intended for citizens and a web interface intended for local governments to manage incoming applications. The mobile application allows citizens to submit applications in real time from any device connected to the Internet.

Through the implemented services, the Za moj grad platform provides functionalities that enable: communication with schoolchildren, their parents and teaching staff, which contributes to the improvement of children's safety; reporting and analysis of communal problems, which contributes to their better identification and reducing the time required for their resolution; reports and analysis of problems on local roads/traffic roads in order to improve them; reporting problems or making proposals during events and

various social gatherings or sightseeing tours, administering incoming reports, reporting and generating statistical reports.

In 2023, the municipalities of Mali Idoš and Apatin became the first users of the Za moj grad platform.

VEHICLE TRACKING

The **vehicle tracking** service allows users to track and monitor vehicles in the country and abroad based on data on the previous status of the vehicle, using the global positioning system (GPS), the Telekom Srbija mobile network (data SIM card), the Internet, and hardware and software solutions. By monitoring the information that arrives in real time, making quality decisions is simplified, daily business processes are accelerated and associated savings are achieved.

The key functionalities of the application are: vehicle tracking in real time and creation of accompanying reports; review of standard FMS data from the travel computer; monitoring and control of fuel consumption; sending routes to the vehicle navigation device and communicating with drivers; implementation of peripheral sensors (temperature monitoring, monitoring of (un) authorized door opening...); identifying the driver; protection of vehicles, passengers and goods with additional security solutions; notification system in order to improve traffic safety, etc.

DIGITAL ASSISTANT IN FRUIT AND WINE PRODUCTION

The **Digital assistant in fruit and wine production** service is intended for all agricultural producers, regardless of the structure of the production organization (individual agricultural producers, cooperatives and associations, small and large combines and farms).

The service is implemented using sensor IoT devices that collect various parameters about the conditions in the field, which are transmitted via the IoT network and the Telekom Srbija platform to the agroNET software solution, which analyses and processes the collected data. The user is provided access to the agroNET portal via web and mobile applications, so that the user has insight into all parameters from installed sensors, notifications and alarms, and shortcuts to basic and additional services.

The key functionalities of the Digital assistant in fruit and wine production service relate to: visualization of collected data, provision of disease and insect disease forecasting; enabling optimization of irrigation; monitoring the insect population; provision of satellite images and analysis; creating a land sampling map; monitoring of climatic conditions and occurrence of frost; registration of all activities and monitoring of costs.

DIGITAL ASSISTANT FOR POULTRY FARMS

The **Digital Assistant service for poultry farms** is intended for all business entities that have poultry farms, regardless of the structure of the organization.

The service is implemented using sensor IoT devices that collect various parameters that are transmitted via the IoT network and the Telekom Srbija platform to the agroNET software solution, which performs the analysis and processing of the collected data and provides users with a visual display of the data, as well as advice on concrete measures, through web and mobile applications and actions they should take.

Key functionalities of the Digital Assistant for Poultry Farms service refer to: ensuring monitoring and optimization of production conditions; enabling the keeping of daily records in production; ensuring monitoring of production results; providing a set of instructions related to the proper organization of production; providing support in solving everyday problems; enabling planning and accounting calculations; enabling assessment of animal weight; providing monitoring of animal behaviour based on audio and video recordings.

SMART BUILDINGS AND OFFICES

The **Smart Building and Office** service is intended for business users who want to improve the working conditions of employees and at the same time, through objective monitoring and analysis of parameters, have the opportunity to achieve various savings.

The service is implemented via the mts IoT network, by connecting various IoT sensors for monitoring ambient conditions (parameters) in buildings and offices, as well as in any other business space (shops, warehouses, etc.), to the IoT platform. From the IoT platform, information about the read values is forwarded to the users, via the web portal, mail and SMS. An adequate display of data from IoT devices is created for each user on the Application Server of Telekom Srbija. Users can monitor the necessary parameters via computer or mobile phone in real time from any location.

It is possible to measure the following ambient conditions (parameters): air temperature and humidity, CO2 concentration, organic particle concentration (VOC), light intensity in the room.

In addition to solutions intended for the public sector and the economy, Telekom Srbija's portfolio of digital services also includes solutions intended for citizens.

ELECTRONIC BILL (eBill)

eBill is an electronic version of a paper account and visually reflects the traditional appearance of a paper account. The user receives an electronic bill every month to his email address. By signing up for the electronic bill, users influence the preservation of the environment, as well as reducing the costs of printing and sending paper bills.

With the user's registration to the eBill, the automation of the exchange of information between Telekom Srbija and the user is carried out. Bills that are paid in this way are automatically posted that is marked as paid. Electronic billing and payment systems provide a flawless experience from the user's point of view, because in this way users can pay them faster and easier, as well as have access to the history of billing and payments. And all this online, without the need for printing and endangering trees. The initiative to increase the number of eBills in Telekom is a continuous activity that over the years leads to an increase in the number of users who opt for this type of sending bills.

ONLINE PAYMENTS THROUGH DIGITAL CHANNELS

Telekom Srbija is continuously working on the development of internet payments, which is one of the company's strategic initiatives. For many years

now, users have been able to view unpaid bills with the option of online bill payment, as well as the service of buying prepaid top-ups. Continuous improvements to the online payment system contribute to the increase in the number of users who choose this type of payment, because printing and delivering a paper bill are now less needed.

DIGITAL CONTACT RENEWING

The **Digital contract renewal** functionality on the self-care portal and mobile application allows users to digitally extend their contractual obligation for mobile tariffs, without going to a store and signing the contract at their home address.

The User, on their account, is shown the Contract Renewal option, when the existing contract is in the last three months until it expires or has expired, which indicates that they are entitled to renegotiate their contract.

Digital renewal implies contracts that do not contain devices, but a discount on the subscription fee, because in this case it is not necessary to send the package to the user's address.

The functionality is created according to modern standards of user experience, where the user in just a few clicks chooses a new tariff, contractual obligation and confirms the accuracy of the data,

after which the contract is automatically confirmed in the CRM system, and the user receives a confirmation of the same by mail.

SIGNING BY EMAIL

The functionality of signing the contract via email was introduced to make it easier for users in the sales section of the portal to make purchases and so that they would not have to go to mts stores branches to sign the contract or wait for the shipment with the contract, which would otherwise be delivered to their home address. It represents the automation of the purchase process, which avoids the printing and delivery of contracts and everything is done electronically.

In the purchase process itself, the user decides that he/she wants to receive the contract by email, and such a request is recorded in the CRM system of Telekom Srbija. When creating the contract, the agents deliver the contract to the user by email with further instructions. It is enough for the user to reply to the received email and to confirm that he/she agrees with the delivered contract and the agent confirms it in the CRM system.

The functionality, like the Digital contract renewal, is intended for contract renewal with a discount on fees, where it is not necessary to send the device to the user to their address.

SMART HOME

The **Smart Home** service allows the user to control and monitor the space depending on the type of smart device he/she uses, through a mobile application and internet connection - remote control of lighting, sockets, water heater switch, temperature and humidity measurement, as well as door and window movement control. This contributes to the improvement of the standard of living and the optimization of electricity consumption through the use of modern technology.

All smart devices, which are part of the Smart Home system, are controlled via the mts Smart Home mobile application. The mobile application can be installed and used on multiple mobile devices at the same time. Through the application, users can turn on/off the lighting at the scheduled time, control devices via a smart socket, receive information about the temperature and humidity of the air in the rooms, receive a notification when the opening/closing of windows and doors in the house is detected.

All smart devices are made according to the most modern energy standards - they are characterized by simple installation, control via WiFi, information system via notifications, remote control or via pre-defined scenes.

- The smart socket gives the user a view of electricity consumption through the application, as well as the possibility of managing electricity consumption.
- A smart light bulb is an energy-efficient device that allows the user to adjust the light while controlling the light intensity and colour.
- The relay can be used for electrical devices (up to 3.5kW) with energy consumption monitoring, overload and overheating protection.
- The door/window sensor is a device that provides the user with information and notifications about the opening and closing of doors and windows where the sensor is located.
- A sensor for temperature and humidity is a device that allows the user constant access to information about the current temperature and humidity of the air in the room where the sensor is located.

DIGITAL ONBOARDING AND VIDEO IDENTIFICATION

Digital onboarding and video identification is a system used for the process of confirming the identity of a natural person at a distance using means of electronic communication, which ensures a shorter time spent in the identification process, automation of the collection of data about the user in a machine-readable form, reduction of the number of steps by the user, high reliability in checking users and personal documents.

After the automatic process of collecting and checking the personal document, as well as facial recognition procedure, the application enables the establishment of a video session with the operator. Through the video session, the authenticity of the personal document is checked, the user's identity is established and confirmed.

By implementing a system of digital onboarding and video identification for existing and new users, users are provided with a complete digital experience, without the need to visit the store in person. Users can complete the process from anywhere and at any time. All that is required is that the user carries with them, in addition to their personal document, a smartphone, laptop or tablet equipped with a camera and an Internet connection. The use of this system speeds up the process of user integration, reduces the cost of user connection and increases the efficiency of the company. As compared to other traditional solutions, such as document verification, video identification provides greater security, as the system itself uses facial recognition technology, where each video session is recorded, as well as compliance with legislation, without compromising the user experience.

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