



Telekom Srbija

ESG Report 2024

Creating sustainable value
through vision and responsibility.

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From a leader in connectivity to a leader in sustainability

In an era of accelerated changes and environmental challenges, where business success is measured not only by revenues but also by the impact on society and the environment, the responsibility of Telekom Srbija, as a leading telecommunications company, extends beyond the confines of infrastructure and technology. Convinced that technological progress only makes sense if it contributes to the creation of long-term values through sustainable future, we increasingly anchor our business model on ESG principles, fully recognizing that sustainable development is not merely a trend but an imperative, and we consider it a privilege to lead the way. We therefore believe that environmental protection through sustainable use of resources, circular waste management and pollution reduction is one of the most important tasks for all of us – both companies and individuals.

The business year 2024 was marked by numerous challenges, yet also by outstanding achievements that further solidified our leadership position, not only on the domestic but also on the international market. We achieved significant business results across all markets. Following the acquisition of a prestigious international credit rating, secured with the support of two of the world's largest credit agencies (S&P Global Ratings and Fitch Ratings), investors showed exceptional interest in our bonds on the international financial market. The importance of this fact is even greater taking into account that this is the first time that a company from the region received a credit rating from renowned international credit agencies.

Constant investments in digital transformation and technological innovation represent the primary goal for further successful business. In the past year, significant progress was made in deploying new digital services in IT sector, and the fixed and mobile access network were improved as well. According to RATEL's reports, our mobile network was declared the best in 2024, for the sixth year in a row. Significant funds have been allocated for the further construction of the optical infrastructure, which has already produced excellent business results.

Digital solutions are no longer reserved for tomorrow – we are already changing the way we work, communicate and improve the customer experience today by improving customer support, creating personalized offers and improving operational efficiency.

In addition to infrastructure, our ambitions also aspire to the application of artificial intelligence (AI) and digital solutions, which will transform the traditional way of doing business and contribute to the development of faster and more efficient processes.

One of the key goals of our strategy lies in the constant progress and development of multimedia services, where, as the leading media company in the region, we are focused on constantly improving the user experience through quality content. Our channels, including television, film and a wide range of sports content, together with innovative platforms, represent the standards for quality and innovation in this business segment.



Vladimir Lučić
CEO

We can be proud of another aspect of our transformation into a modern and successful digital operator. The Investment fund TS Ventures (with innovations in the fields of artificial intelligence, digital technology, biotechnology and many others), through which we invest in young startups and invest in ideas that change the world, achieves outstanding results that are reflected not only in revenue growth but also in the diversification of business and the development of the domestic technological ecosystem. Our role is to recognize tomorrow's leaders and help them succeed today, as well as to recognize and support disruptive technologies, in accordance with global trends, thus ensuring long-term stable development and competitiveness.

That's why we, at Telekom Srbija Group, have set clear goals: reducing the carbon footprint and responsible management of resources and waste. Our environmental protection management system, certified according to the requirements of the ISO 14001:2015 standard, is not only a mere fulfillment of obligations, but also testifies to our commitment to continuous improvement of environmental performance. We have set up a multidisciplinary team that is actively focused, with the support of management, on further development and application of smart systems to improve energy efficiency, waste management, solutions that reduce the need for travel, as well as network optimization to minimize the impact on the environment. Through training, optimization of consumption and digitization of processes, we enable employees and partners to make everyday sustainable choices.

As a member of the United Nations Global Compact (UNGC) since 2010, Telekom Srbija contributes to achieving the goals of sustainable development, with a special emphasis on education, energy efficiency and innovations that change society for the better. Our project "No species dies alone" as well as the campaign "Let's protect the most important of all networks. The network of life" stand out as examples of good practice and long-term care for biodiversity, but also as a call for collective responsibility.

Telekom Srbija Group continues to base its mission on investing in young people as the most important investment, since children and young people represent the drivers of future social, economic and technological evolution, giving special importance to support in their education. Our company is the winner of the "Sustainability Champion 2024" award for a socially responsible project in the field of child development "Children's world is bigger than the screen", which in the same year also received the title "Campaign with a purpose", as an example of a campaign to improve the well-being of children, individuals and society as a whole. As part of the national education digitization plan, in which we participate as a technological partner, significant funds are allocated and we proceed with donations to facilitate better connectivity, improve the digital infrastructure and enable fast Internet access to educational institutions throughout Serbia.

The company especially emphasizes the importance of preserving the cultural heritage and community wealth. We provide support for the organization of many prestigious festivals in the country, as well as other cultural events, which actively contributes to the promotion of Serbian culture and art. We also participate in digitization projects of many public services and cultural institutions (museums, libraries and other institutions).

And in 2024, a stable governance structure was maintained. The company continued to develop corporate governance in accordance with modern principles of transparency, responsibility and sustainable business, and the strategic direction is directed towards digital transformation and strengthening the market position. The financial results were exceptional, with record revenues, with the continuation of the multi-year trend of profitability, which speaks of efficient management of resources and business processes.

We are proud to point out that we are making great strides towards this goal, confirming that we strive not only for business success, but also for the fulfillment of our responsible role in society and the economy.

Telekom Srbija continuously contributes to the development of the community, at the same time introducing the best practices of sustainable development into all aspects of its business. Our vision is clear: building a digital and green society, in which growth, innovation and responsibility are inextricably linked.

At Telekom Srbija Group, we believe that growth, innovation and responsibility go hand in hand. We continue to invest in people, technologies and community, realizing that our business is much more than technology – it's an investment in a sustainable future.

Thank you for being part of our journey.

Kind regards,

Vladimir Lučić
General Manager

1. THE TELEKOM SRBIJA BUSINESS ECOSYSTEM GROUP

1. The Telekom Srbija business ecosystem Group

Telekom Srbija Group today represents an ecosystem of related companies that jointly build a sustainable digital future for the region, strategically integrating sustainability into all spheres of business. From that position, as one of the leading telecommunication operators in the region, Telekom Srbija continuously improves its role in society through digital transformation, innovation and strategic management of resources, contributes to reducing the environmental footprint and strengthens resistance to climate change, harmonizing its operations with the global goals of the UN's 2030 Agenda for Sustainable Development.

Since its establishment in 1997, Telekom Srbija has undergone a transformation from a national telecom operator to a regional leader present in Serbia, Bosnia-Herzegovina, Montenegro, North Macedonia, the EU, Switzerland, the USA, Canada and Turkey with a comprehensive portfolio of telecommunications, multimedia, financial and digital products and services.

Sustainability is the strategic commitment of Telekom Srbija Group, and innovation is the core of its development. In this spirit, through the TS Ventures fund, the first corporate Venture Capital fund in this part of Europe, Telekom Srbija actively supports the development of the startup ecosystem and accelerates the transition to smart, digital and sustainable solutions in the Serbian economy.

Through the company YUNET International, IoT solutions for smart agriculture are being developed, while Mtel Podgorica and Mtel Skoplje enable the availability of the fastest optical internet and multimedia services to a broad range of users, thus encouraging digital inclusion and the quality of life of communities.

Arena Channels Group contributes to access to objective and accurate information through the channels Euronews Serbia and Bloomberg Adria, empowering society through information and education. In addition, through Telus, the Group provides hygiene maintenance and facility security services, promoting safety and health in the business environment.

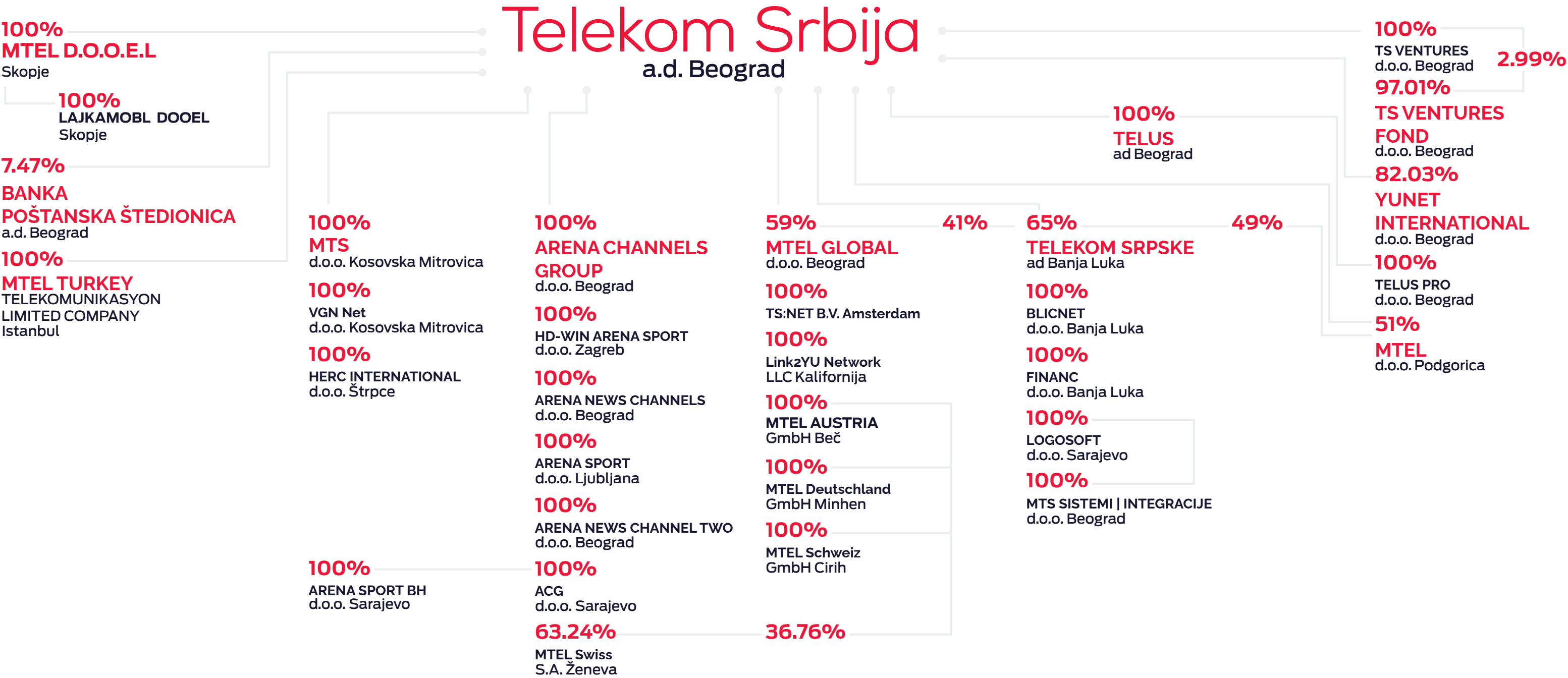
Telekom Srbija Group strategically invests in optimizing the energy efficiency of its networks and facilities, as well as in switching to renewable energy sources wherever possible, which reduces greenhouse gas emissions and contributes to reducing the impact on climate change. The Group effectively manages the risks associated with economic, social and environmental factors, while creating new values for its users, the community and all stakeholders.

Through a clear organizational structure, Telekom Srbija Group includes subsidiaries: Telekom Srpske, Mtel Podgorica, Arena Channels Group, Mtel Global, YUNET International, Telus, MTS doo, Mtel Skoplje, TS Ventures and Mtel Turkey, enabling flexibility, agility and regional customization of services, while at the same time preserving quality and sustainability standards in all markets.



Organizational chart

(as at December 31, 2024)



1.1. Telekom Srbija a.d. Beograd – parent company that connects innovations, sustainability and growth

Telekom Srbija a.d. Beograd represents the parent company of the Telekom Srbija Group and provides integrated services of fixed and mobile telephony, internet, multimedia and a wide range of digital solutions for several million users throughout the region. With a dominant market share in the mobile and fixed telephony segments in Serbia, the company represents a pillar of the telecommunications infrastructure that supports the digital transformation of the Serbian society and economy.

The company was founded on May 23, 1997 in the process of structural and ownership transformation of the PTT system of Serbia as a one-member joint stock company. Since June of the same year, the ownership structure of the company consists of three shareholders: JP PTT saobraćaja “Srbija”, Telecom Italia and OTE Greece.

Telekom Srbija started providing mobile telephony services in 1998, while in 2006 the company rolled out 3G technologies and ADSL Internet services, laying the foundations for further development of digital services and connecting users through innovative and reliable solutions.

As early as in 2007, Telekom Srbija assumed the leadership role in the field of telecommunications and began territorial expansion into the markets of Bosnia-Herzegovina and Montenegro, thus forming the Telekom Srbija Group. In the years that followed, the company successfully adapted to market demands, recognizing at the same time the importance of introducing new services and creating potential for entering new markets.

In addition to basic telecommunication services, Telekom Srbija today focuses special attention on the development and provision of multimedia, financial and digital products and services, as well as on projects that are of particular importance to users from the diaspora.

The company has no branches, while the ownership structure of Telekom Srbija is transparently presented on the website of the Central Securities Depository and Clearing House.

*If the percentage of ownership is not indicated, it is understood that it implies 100% share in the ownership structure of the company

Telekom Srpske a.d. Banja Luka*

As one of the three national telecommunication operators in Bosnia and Herzegovina, it offers unique communication solutions united under the m:tel corporate brand. The ownership structure of Mtel BiH includes the following subsidiaries: MTEL doo Podgorica (49% share), MTEL Global doo Beograd (41% participation), Logosoft doo Sarajevo*, owned by the company MTS systems and integrations, Beograd), as well as Blicnet doo Banja Luka and Financ doo Banja Luka.

mtel d.o.o. Podgorica

Since April 2007, m:tel Podgorica has been present on the Montenegrin market as the third mobile operator, with an ownership structure comprised of Telekom Srbija (51%) and m:tel Banja Luka (49%).

Since the onset of its operations, m:tel Montenegro has shown exceptional agility and the ability to implement the top-notch technological standards – the mobile network was installed in a record time of only 77 days, which represents a unique example of efficiency in the region.

Following the vision of digital transformation, m:tel started developing its own cable network in 2015, implementing one of the largest greenfield projects in Montenegro. Owing to its strategic approach and regular investments in infrastructure, today m:tel covers more than 90% of households in Montenegro with the fastest optical internet and cutting-edge multimedia services.

ARENA CHANNELS GROUP d.o.o. Beograd

Arena Channels Group is a company operating cable telecommunications through the TV channel “Arena Sport” and is the holder of the rights to broadcast sports channels in the territory of the Republic of Serbia, Bosnia-Herzegovina, Montenegro, North Macedonia, Croatia and Slovenia. It represents a strategic component of the Telekom Srbija Group’s media portfolio with more than 10 million viewers in the Western Balkans. Through investments in premium sports content, the company has secured the rights to the most prestigious sports competitions, including the UEFA Champions League, NBA League, Formula 1 and other elite competitions. By launching the information platforms Euronews Serbia and Bloomberg Adria, the influence on the media market of the region was expanded and new channels were created for high-quality information and business reporting.

Arena Channels Group owns the following subsidiaries: HD WIN Arena sport doo Zagreb, Arena News Channels doo Beograd, Arena sport doo Ljubljana, ARENA NEWS CHANNELS TWO doo BEOGRAD, ACG d.o.o. Sarajevo, which directly controls Arena Sport B and H doo Sarajevo and MTEL Swiss SA Geneva (63.24% share).

Mtel Global d.o.o. Beograd

Mtel Global was created by integrating the companies of the Telekom Srbija Group. This company represents a strategic bridge to the diaspora and abroad, connecting our compatriots with the motherland through digital services. Thanks to an innovative approach adapted to the specific needs of the diaspora, new service packages have been introduced that combine mobile telephony with the access to media content from the region. The idea of joint business on the world market stemmed from a mutual goal – establishing an unbreakable connection with our people abroad, which allows them to preserve the traditions and culture of the country they come from. The company covers more than 100,000 of our users in the territories of the EU, Switzerland, the USA and Canada.

Mtel Global owns the following companies: Mtel Austria GmbH Vienna – which owns MTEL Schweiz GmbH, Zurich MTEL Deutschland GmbH Munich and MTEL Swiss SA Geneva, Switzerland (36.76% share), as well as TS:NET BV Amsterdam and Link2Yu LLC California, USA.

YUNET INTERNATIONAL d.o.o. Beograd

In 1994, YUNET became the first commercial Internet Service Provider in Serbia, thus laying the foundations for the development of the Internet on the domestic market. Following market trends and user needs, YUNET started providing optical internet services to private and business users at the end of 2023, thus confirming its commitment to innovation and an advanced approach to the IT market.

Telus a.d. Beograd

Telus doo Belgrade provides facilities and property security services, as well as maintaining the hygiene of business premises and facilities, providing reliable support for the operations of the parent company Telekom Srbija a.d. Beograd. Although it operates primarily with the parent company, Telus is increasingly expanding its presence and asserting itself on the market by providing services to external clients, contributing to the diversification of Telekom Srbija Group’s operations.



With a significant number of employees, Telus actively contributes to the Group's socially responsible operations through employment programs for vulnerable categories of the population, including persons with disabilities and long-term unemployed persons, thus strengthening the capacities of communities and encouraging social inclusion.

Telus owns the subsidiary Telus Pro d.o.o. Beograd, which further expands operational capacities for service provision and improves the quality of maintenance and security services, with constant investment in employee development and digitalization of processes as part of Telekom Srbija Group's ESG commitment.

MTS d.o.o.

Mts d.o.o. was founded in October 2015. The company provides access to modern telecommunication services for tens of thousands of users in the AP of Kosovo and Metohija, thereby contributing to digital inclusion and sustainability of Serbian communities. It has a full license for fixed telecommunications and a temporary authorization for mobile telecommunications. Mts d.o.o. is the founder of VGN Net d.o.o. Kosovska Mitrovica and HERC International d.o.o. Štrpce.

MTEL DOOEL Skopje

MTEL DOOEL Skopje is a company founded in July 2021 by Telekom a Srbija, with headquarters in Skopje, Republic of North Macedonia. After only three years of operation, MTEL Skopje managed to build a significant presence on the market of North Macedonia. The main activity of MTEL DOOEL Skopje is the activity of cable telecommunications. Lajkamobajl DOOEL Skopje, North Macedonia is a subsidiary of MTEL DOOEL Skopje.

TS VENTURES d.o.o. Beograd

The alternative investment fund management company TS Ventures doo was founded in August 2021, with Telekom Srbija being the sole founder and owner of 100% of the company's share capital. Through TS Ventures, Telekom Srbija Group actively contributes to the development of the startup ecosystem in Serbia and the region, creating bridges between the corporate sector and innovative entrepreneurial initiatives.

TS Ventures doo manages the investments of the Alternative Investment Fund of entrepreneurial capital in the Republic of Serbia – TS Ventures fund doo Belgrade, enabling Telekom Srbija a.d. Belgrade, as the founder and investor, access to innovative technologies and solutions. This model supports the strengthening of the company's service portfolio and strengthening its position in the market.

TS VENTURES FUND d.o.o. Beograd

TS VENTURES FOND d.o.o. Beograd represents the first official Venture Capital Fund in the Republic of Serbia, which was established 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 aim of investing in startups and innovative entrepreneurs who are in the initial phase of developing their business, and on the other hand, have great potential for rapid global business growth. In addition to financial resources, startups invested in are provided with mentoring, access to technological infrastructure and sales channels, as well as the possibility of piloting their solutions within the Telekom Srbija Group.

MTEL TURKEY TELEKOMÜNİKASYON LİMİTED ŞİRKETİ, Istanbul

Mtel Turkey was founded in 2023 by Telekom a Srbija, headquartered in Istanbul, Turkey.

As the youngest member of the Group, Mtel Turkey represents a strategic step into the market of 85 million inhabitants with a significant diaspora from our region. In the first year of operation, the company established partnerships with leading Turkish telecommunications and media companies, and launched a specialized OTT platform that provides access to media content from the Western Balkans region. In December 2023, this company officially started providing services.

1.2. Corporate governance

In order to continuously improve the institutional and legal framework of corporate governance, Telekom Srbija a.d. Beograd implements the Corporate Governance Code, which clearly defines the rights of shareholders, competences and responsibilities of corporate bodies and their members, remuneration policy, communication with the public, transparency of operations, disclosure of data, improvement of the corporate system, as well as business ethics.

The Code contains guidelines that also include issues of sustainability, which further strengthens the company's responsibility towards society and the environment. A significant achievement of the company is the fact that the Code is based on the generally accepted principles of corporate governance of the OECD, establishing high standards for the work of all members of corporate bodies and employees.

Telekom Srbija's Supervisory Board is responsible for the application and interpretation of the Code, supervision over the implementation and compliance of business with adopted principles and standards, as well as for improving the content of the Code in accordance with latest trends and best practices of corporate governance. During the reporting period, a comprehensive analysis of the Code's compliance with the most recent international standards and recommendations was conducted, which confirmed that the Code covers the areas of ESG responsibility, risk management and stakeholder involvement in decision-making processes.

Telekom Srbija is a member of the United Nations Global Compact in Serbia and a signatory of the Declaration on the fight against corruption, thereby confirming its determination to harmonize its operations with ten universal principles in the fields of human rights, labor, environmental protection and the fight against corruption. The company transparently reports on progress in these areas through the annual ESG report.

In order to efficiently manage the complex ecosystem of companies within the Telekom Srbija Group, an integrated system of corporate governance at the Group level was implemented in 2024. This system implies the harmonization of key policies and procedures, efficient exchange of information and a harmonized approach to risk management, which ensures the application of high standards of corporate governance in all subsidiaries, both in the country and abroad. Supervision is carried out through the company's bodies and organizational units that provide professional support, while respecting the specifics of the legal order and corporate standards of the countries of the Group's headquarters.



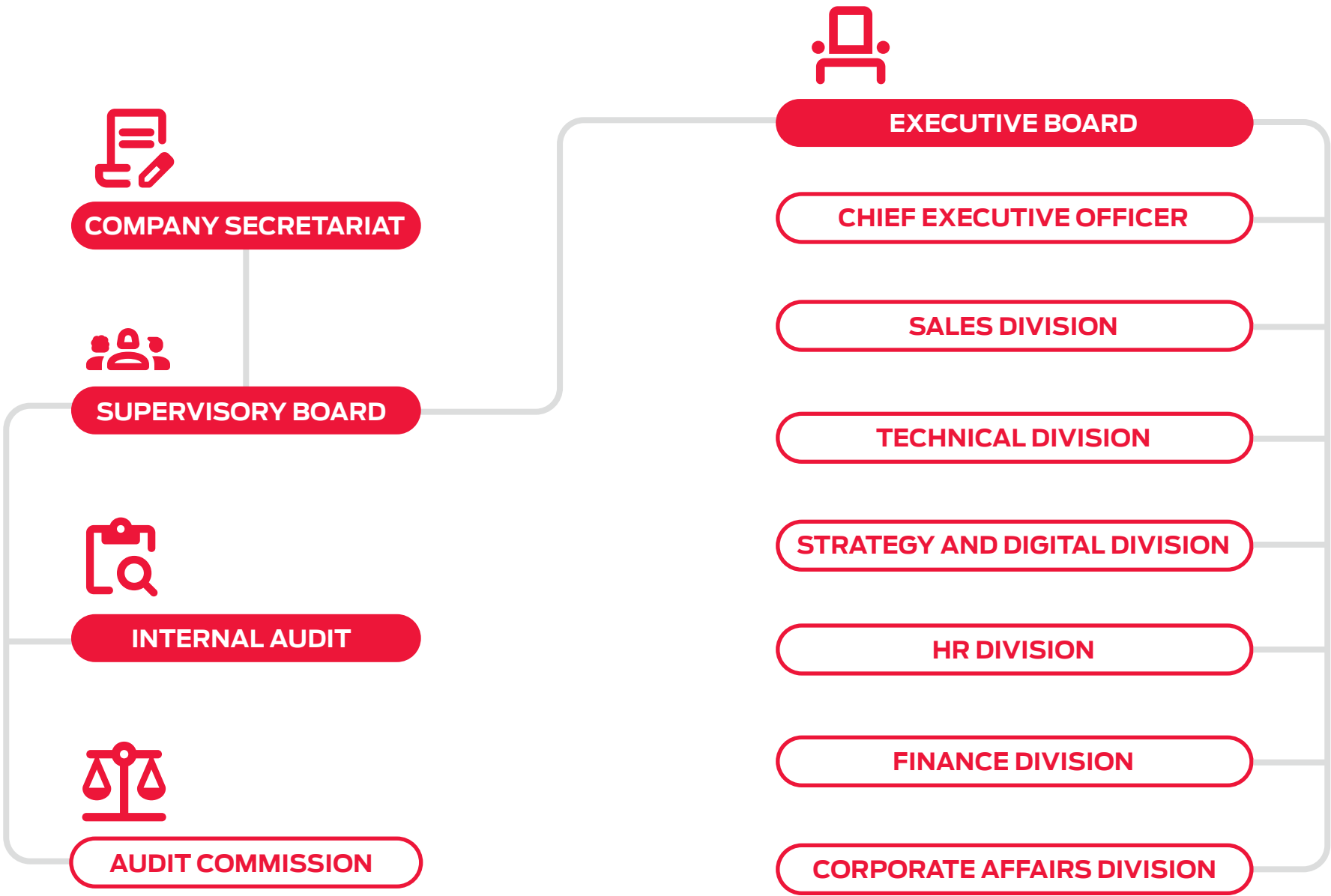
1.3. Structure, composition and role of corporate bodies

Telekom Srbija operates in accordance with the principles of high corporate governance, which are key to achieving the company’s long-term and sustainable success. The corporate structure of the company is aligned with the applicable legislation and internal acts, with clearly defined roles and responsibilities of the key corporate governance bodies – the General Meeting, the Supervisory Board and the Executive Board.

The application of the two-tiered governance model enables a clear separation of the supervisory function, which is performed by the Supervisory Board, from the operational management function, which is performed by the Executive Board. This organizational structure guarantees an efficient system of checks and balances in the decision-making process, thus positioning Telekom Srbija as an example of the best practice of corporate governance in the telecommunications sector at the European level.

In addition to key governance bodies, the corporate governance system also includes special bodies and organizational units, including the Audit Commission of the Supervisory Board, Internal Audit and the Secretariat, which provide professional support and ensure the consistent application of internal policies and procedures. This framework is not a mere formality, but a dynamic and functional system that enables smooth achievement of strategic goals, balancing the interests of all stakeholders and establishing effective communication between the executive and supervisory functions.

With this approach, the company continuously strengthens corporate resilience, improves transparency and accountability, which is essential for sustainable development and the trust of investors, users and partners.



1.3.1. General Meeting

The General Meeting of Telekom Srbija a.d. Beograd is made up of all shareholders, whereby the company's share capital includes one billion ordinary shares without nominal value. All shares represent one class with equal voting rights – each share carries one vote, which guarantees equal participation and equal treatment of all shareholders in deciding on the strategic directions of the company's development.

The work and decision-making of the General Meeting are governed by the Rules of Procedure, which precisely define the way of work, rights and responsibilities of the Chair person of the General Meeting, as well as the election procedure, in accordance with the Company Act and the Company's Articles of Association. The regular session of the General Meeting is held once a year, no later than six months upon the expiry of the business year, while extraordinary sessions are convened as needed, in accordance with legal and statutory provisions.

The priority in the work of the General Meeting is the equal treatment of shareholders and effective legal protection of the rights of minority shareholders, whereby Telekom Srbija consistently confirms its commitment to the highest standards of corporate governance and transparency.

Transparent communication with shareholders and investors

The company provides timely, accurate and complete information on all matters of importance to shareholders and investors through a specialized section on [the company's official website](#). The following information is regularly published on the said platform:

- invitations and materials for General Meeting sessions,
- adopted decisions and relevant documents,
- information of material importance for exercising the rights of shareholders.

Communication with the public is based on the principles of truthfulness, accuracy, timeliness and equal access to information, with the aim of strengthening the trust of shareholders, investors, customers, suppliers, regulatory bodies and the general public in the company's operations.

Telekom Srbija timely publishes all material facts that affect the rights of shareholders, with special attention focused on the protection of minority shareholders, who make up about 20% of the total shareholder structure.

In accordance with international standards and domestic legislation, minority shareholders are provided with opportunities:

- to propose items on the agenda of the General Meeting,
- to ask questions,
- to receive timely and complete answers.

With this approach, Telekom Srbija confirms its proactive engagement in the protection of shareholders' rights, and constantly builds a corporate culture based on transparency, responsibility and trust.

1.3.2. Supervisory Board

The Supervisory Board of Telekom Srbija a.d. Beograd consists of seven members, one of whom is independent in accordance with the Company Act. The number of members of the Supervisory Board is determined by the company's Articles of Association, taking into account its size, gender balance, as well as the complexity of business and activities. The company does not have a Appointment Commission. Members of the Supervisory Board are appointed by the General Meeting by a simple majority vote of the present or represented shareholders with the right to vote, including the votes of shareholders who vote in writing, with the Republic of Serbia as the majority shareholder nominating candidates. When appointing, the necessary knowledge, skills and expertise for successful management and supervision of the company are taken into account, as well as recommendations for avoiding conflicts of interest and performing functions in the corporate bodies of competing companies.

In accordance with the Diversity Policy applied to the members of the corporate bodies of Telekom Srbija, members of the Supervisory Board are selected not only on the basis of competence and expertise, but also according to diversity criteria, including gender, age, length of service and individual differences in professional and personal experience. The Supervisory Board elects its chairman from among the members by majority vote, upon a proposal submitted by the company's controlling shareholder.

The current Chair of the Supervisory Board is prof. Dr. Milan Božić, who does not perform executive functions in the company, which further strengthens the independence of the supervisory body in relation to the executive management. The chairman has a key role in creating the meeting agenda, providing timely and relevant information for members, as well as encouraging open and constructive discussion.

The two-tiered governance structure clearly separates the supervisory functions of the Chairman of the Supervisory Board and the executive functions of the Chief Executive Officer. Members of the Supervisory Board cannot be executive directors or procurators of the company.

On the last day of this reporting period, the composition of the Supervisory Board consisted of prof. Dr. Milan Božić (chair), Ninoslav Prodanović, Pavle Milić, Miroslav Joksimović, Strahinja Paravina, Marina Zdravković and Dejan Latinović. This composition ensures the complementarity of knowledge and experience in key areas such as telecommunications, finance, law, digital technologies and strategic management, enabling a broad and comprehensive approach to the company's complex challenges.

The term of office of members of the Supervisory Board lasts four years. In accordance with the Law and the Articles of Association, the Supervisory Board defines the company's business strategy and goals, supervises their implementation, monitors the work of executive directors, reviews quarterly and other reports of the Executive Board. Also, the Supervisory Board performs a final audit and approves the annual ESG report before publication, thus guaranteeing its accuracy and compliance with the company's strategic goals. The report on work and supervision is submitted by the Supervisory Board to the shareholders at the regular session of the General Meeting.

The Supervisory Board adopts the Rules of Procedure, which regulate in detail the decision-making procedures, the deadlines for the delivery of materials, the way of keeping minutes and notifying members, as well as introducing new members to their rights and duties. The policy and level of remuneration of members of the Supervisory Board are determined by the decisions of the General Meeting, and the amounts are formed on the basis of benchmarking analyzes with relevant companies in the telecommunications sector, taking into account the complexity of operations and responsibilities.

The Supervisory Board has formed an Audit Commission that has five members, including the chair person. The Commission is responsible to the Supervisory Board and regularly submits reports on work and activities within its jurisdiction, at least once a year or at the request of the Supervisory Board. The Commission is in charge of proposing the appointment and dismissal of internal audit managers, as well as supervising their work.

The members of the Audit Commission are appointed by the Supervisory Board for a term of two years, which is half of the term of the Supervisory Board. Most of the members of the Commission are elected from among the Supervisory Board, including necessarily one independent member with appropriate financial and accounting background, in accordance with legal requirements. Other members may be company employees or external persons with relevant professional qualifications.

1.3.3. Executive Board

The Executive Board of Telekom Srbija a.d. Beograd consists of seven members, all executive officer appointed by the Supervisory Board. One of the executive officers, authorized to represent the company, is appointed as the chief executive officer. The CEO is the legal representative of the company, coordinates the work of the executive officers and organizes the business. In addition to the CEO, Vladimir Lučić, the members of the Executive Board are: Đorđe Marović, Chief Technical Officer; Katarina Subotić, Chief Sales Officer; Marija Spasić, Chief Financial Officer; Gordana Trhulj, Chief Corporate Affairs Officer; Draško Marković, Chief Human Resources Officer and Natali Delić, Chief Strategy and Digital Officer.

The term of office of the members of the Executive Board lasts four years. In accordance with the Law and the Articles of Association of the company, the Executive Board manages the business, determines the internal organization, is responsible for the accuracy of financial reports and business books, prepares the General Meeting sessions and proposes the agenda of the General Meeting to the Supervisory Board, and makes decisions in accordance with the legal and statutory frameworks. The manner of work, powers and duties of the Executive Board are regulated by the Rules of Procedure, harmonized with the Articles of Association.

As a collective body of operational management, the Executive Board is responsible for implementing the strategy and achieving the business goals of Telekom Srbija Group. The current composition of the board reflects the company's commitment to gender equality, with 57% women among its members, which exceeds the regional average in the telecommunications sector. Members possess a high level of expertise and rich experience in the industry, which enables them to effectively manage a complex and dynamic business environment.

The highest corporate bodies, the Supervisory and Executive Board, regularly assess all relevant aspects of sustainable development through the analysis of business reports and accompanying documentation. These aspects are transparently reported to key stakeholders – through the report of the Supervisory Board to the General Meeting, direct communication with representatives of the majority shareholder, as well as the entire community.

The Chief Corporate Officer, who is appointed by the Supervisory Board, manages the Corporate Affairs Division. This organizational unit is responsible for planning, organizing and implementing environmental protection activities and implementing environmental protection measures. At the company level, an environmental management system (EMS) team has been established, which gathers members from various organizational units. EMS covers all business processes, system management and cooperation with stakeholders in order to preserve the environment.

Regular reporting on ESG activities takes place through annual ESG reports and Annual Business Reports. The Executive Board has adopted the Procedure for preparing the annual ESG report, in which process all organizational units participate by submitting relevant data in accordance with their competencies and responsibilities. The Executive Board considers and approves the annual ESG report, which it then submits to the Supervisory Board for review.

The Telekom Srbija company strongly respects the principles of transparency and regularly publishes the Report on Corporate Social Responsibility, as well as the annual ESG report on the operations of the Telekom Srbija Group.

Executive Board of Telekom Srbija



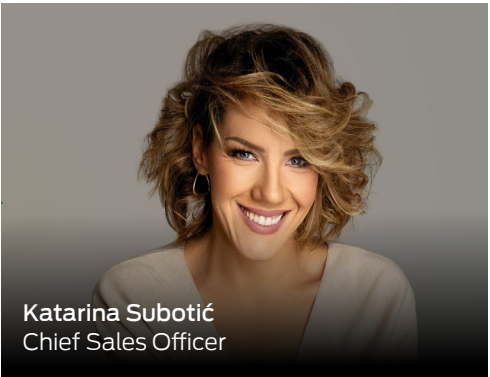
Vladimir Lučić
Chief Executive Officer, Chair at Executive Board sessions



Đorđe Marović
Chief Technical Officer



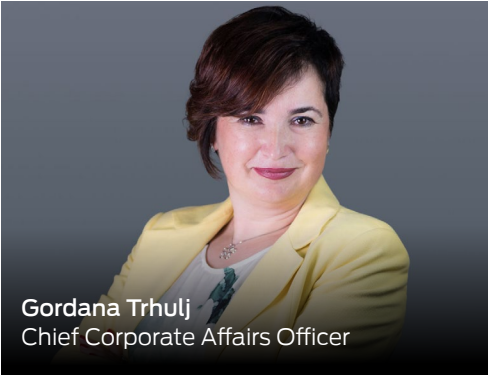
Natali Delić
Chief Strategy and Digital Officer



Katarina Subotić
Chief Sales Officer



Marija Spasić
Chief Finance Officer



Gordana Trhulj
Chief Corporate Affairs Officer



Draško Marković
Chief HR Officer

1.3.4. Secretary

The company has a Secretary who is appointed by the Supervisory Board. The Secretary is responsible, in addition to the competences prescribed by the Law, for the preparation of the meetings and keeping the minutes from the meetings of the corporate bodies, as well as for communication with the shareholders. It also organizes access to acts and documents in accordance with the Law , coordinates the corporate-legal practice of the corporate bodies of the company and its subsidiaries, and coordinates other activities in the corporate-legal business segment of importance for the company and its subsidiaries.

The role of the Secretary is crucial for the efficient functioning of the corporate governance system, as it ensures the consistent application of all processes and procedures, timely and accurate information of members of governing bodies, as well as effective communication between various governing bodies. In addition, the Secretary has a significant role in maintaining transparent and timely communication with shareholders and investors, protecting their rights and providing access to all relevant information about the company's operations.

1.3.5. Internal audit

The company's internal audit reports to the Supervisory Board, which, in accordance with the Company Act, formed the Audit Commission. Internal audit submits annual reports on its work to the Audit Commission. The detailed manner and procedure of conducting an internal audit are regulated by internal instructions and procedures issued by the director of internal audit.

Internal audit has a key role in the system of internal controls and risk management, carrying out activities in accordance with the definition of internal audit, as well as the needs and requirements of the company. Through a systematic and disciplined approach, it evaluates and improves the effectiveness of risk management, control and management processes within the company.

In 2024, Internal Audit conducted approximately 30 audit engagements, which covered all key business processes. Internal audit activities at Telekom Srbija are aligned with domestic and international standards, as well as the best recognized professional practice in the field of internal audit.

1.4. Collective expertise of the highest governing body

The highest management bodies of Telekom Srbija are the Supervisory and Executive Boards, composed of members with specific professional knowledge, leadership skills and rich experience necessary for managing a modern and responsible telecommunications company. The Supervisory Board, as the body supervising the work of the company, consists of members elected by the General Meeting, while the Executive Board, as the operational management body, consists of executive officers appointed by the Supervisory Board.

Each member of the company's corporate bodies brings a unique combination of expertise and strategic thinking, while as a team they ensure the resilience of the business model and the ability to respond to the challenges of the dynamic telecommunications industry, while preserving the long-term viability of the business.

The collective expertise of the Supervisory and Executive Board members covers key areas of importance for the company, including:

- market strategies and customer experience, with a focus on developing sales channels, improving services and maximizing value for users and shareholders;
- market and network infrastructure, digitization and innovation aimed at sustainable and resilient technological solutions;
- financial management and planning, with an emphasis on responsible resource management, cost control and compliance with regulatory requirements;
- legal and logistical processes, while ensuring a high degree of ethics, transparency and business compliance;
- strategic development and digital services, in accordance with the modern needs of users and the goals of sustainable development;
- human resources management, with a focus on attracting and developing talent, strengthening the culture of responsibility and safety at work;
- development of digital content and multimedia platforms for improving user engagement and differentiation on the market.

This diverse and complementary knowledge enables the governance bodies of the company to make informed, strategically-oriented and socially responsible decisions, in accordance with the principles of ESG management, the long-term interests of the company and the expectations of shareholders, employees, customers and the community.

Continuous improvement of the skills and knowledge required for the successful performance of the tasks of the Supervisory and Executive Boards is ensured by the company's ESG strategy for the period 2025-2029, which envisages constant education of management in the field of ethics and ESG principles, with the aim of making quality strategic decisions and improving corporate governance. In this way, Telekom Srbija ensures the consistent application of the principles of sustainable and responsible business in all strategic decisions and daily operations, preserving value for shareholders and contributing to a positive impact on society and the environment.



1.5. Evaluation of the work of the highest governing body

The Supervisory Board of the company, in accordance with its legal powers and competences, prepares and determines the company's Report on business operations and the conducted supervision of the work of the Executive Board on an annual basis, which is submitted to the General Meeting for consideration and adoption. As part of its supervisory function, the Supervisory Board analyzes the work of the Executive Board, including activities in the field of sustainable development and the company's relationship with the community, thereby contributing to the achievement of sustainable business goals.

Although there is currently no independent evaluation process of the highest corporate governance bodies in the field of monitoring economic, environmental and social impacts, through regular reporting and exchange of opinions between the Supervisory and Executive Boards, a relevant level of performance assessment is ensured in accordance with the principles of good corporate governance.

The company is aware of the importance of continuous improvement of corporate practices, and is considering the possibility of introducing a structural and independent process of evaluating the work of the highest governance bodies in the field of ESG topics, with the aim of further strengthening the governance system, responsibility towards people, the planet and the economy, as well as transparency in relations with all interested parties.

1.6. Business compliance: the foundation of trust and sustainability

Telekom Srbija operates in a strictly regulated environment and attaches the greatest importance to full compliance with all relevant laws, regulations and regulatory requirements, confirming its commitment to sustainable and responsible business operations.

A proactive approach to compliance implies regular monitoring of regulatory changes, assessment of their impact on all aspects of business and timely implementation of required measures, in order to ensure the fulfillment of obligations according to the legislative framework and all stakeholders. This approach allows the company to minimize risks, strengthen the resilience of the business model and maintain a high level of trust of investors, partners and customers.

The effectiveness of internal processes is testified by the fact that no significant fines or non-monetary sanctions were recorded during 2024 due to non-compliance with laws and regulations, which is the result of the dedicated work of the Secretariat, the Legal Affairs Department and the Regulatory and Legal Framework Department.

Telekom Srbija pays special attention to compliance in areas of strategic importance, such as environmental protection, competition protection and personal data protection, thereby actively contributing to the fulfillment of sustainable development goals (UN Agenda 2030) and strengthening business resilience to regulatory and ESG risks.

1.6.1. Code of corporate conduct

Telekom Srbija adopted the Code of Corporate Conduct, which includes, among other things, the segments of conflicts of interest, suppression and prevention of corruption and bribery, money laundering, competition issues, environmental protection and prohibition of discrimination. In accordance with the Code of Corporate Governance, the corporate bodies of Telekom Srbija cooperate at the highest level in the exercise of their responsibilities, with a special emphasis on the exchange of information that is crucial for the work and decision-making of each of the bodies. This cooperation includes regular communication and reporting, which ensures transparency and timeliness of decision-making.

The company is constantly developing and improving mechanisms that support this culture of cooperation, especially in the area of business control, as well as in the process of planning, formulating and implementing strategic goals. Such an approach strengthens the integrity of corporate governance and contributes to achieving sustainable results in accordance with business and ESG principles.





1.6.2. Policy of responsible business as the foundation of everyday processes

Telekom Srbija has established a comprehensive system for the integration of the principles of responsible business, which includes all levels of the organization – from strategic planning to daily operational activities. This approach goes beyond regulatory requirements and is based on the belief that ethics, transparency and sustainability are key to long-term growth and competitiveness.

In order to consistently apply this approach, Telekom Srbija relies on a number of interconnected mechanisms:

- ESG strategy 2025–2029, which defines measurable sustainability goals and integrates them into all business processes.
- The integrity plan, as a key anti-corruption tool, through which risky processes and certain measures to mitigate the same were identified in the third cycle. The plan is publicly available on the website of the Agency for the Prevention of Corruption.
- The Code of Corporate Conduct, updated in 2022, as a practical guide to employees for ethical behavior in their daily work.
- A system of internal controls, which enables a consistent and efficient application of all policies.
- Mandatory “Ethics and Integrity” training, developed in accordance with national guidelines, attended by all employees.

The cornerstones of its responsible business system rely on:

- transparent and ethical business,
- responsible attitude towards stakeholders,
- proactive management of ESG risks and opportunities.

The system is further strengthened by the adoption of key policies and guidelines, such as the Environmental Policy, Risk Management Guidelines and Personal Data Protection Policy.

In 2024, Telekom Srbija conducted the audits of corporate culture and ESG reporting system, thereby confirming its constant commitment to improving responsible business practices and to modern corporate governance.

1.6.3. Processes for identification, prevention and removal of negative impact

The company applies a structured approach to the identification, prevention and elimination of potential and actual negative impacts on society, the environment and the business environment.

Through the Integrity Plan, risky processes were identified in the Ethics and Personal Integrity segment, Human Resources Management, Financial Management, Procurement and Information and Technology Security.

Targeted preventive measures have been introduced for the identified risks, including protection mechanisms against conflicts of interest.

Elimination of negative impact is carried out through: immediate measures and support to affected parties, conducting investigations and corrective actions, evaluation and improvement of processes.

Dialogue with stakeholders, including customers, provides additional insights to improve practices. The results of an independent measurement (NET CHECK, 2024) confirmed that mts is the best mobile network in Serbia in terms of service quality.

Telekom Srbija Group applies structured, transparent and measurable processes for identification, mitigation and remediation of negative impacts. Built-in mechanisms ensure timely reaction, stakeholder protection and continuous improvement in accordance with ESG principles and the requirements of the GRI standard.

1.6.4. Ethical framework and employee support: An approach based on trust and knowledge

Aimed at preserving integrity and strengthening trust within the company and with external stakeholders, the ethical management system is based on available, clear and applicable mechanisms for resolving ethical dilemmas, reporting irregularities and accessing relevant guidelines.

The ethical framework consists of:

- Code of Corporate Conduct,
- Integrity Plan,
- Accompanying internal procedures that define expected standards of behavior in areas such as conflict of interest, professional responsibility and anti-corruption principles.

All documents are regularly updated and available to employees through the internal portal.

Ethical culture is additionally improved through:

- mandatory “Ethics and Integrity” training,
- regular information and education through different formats and channels.

An integrity coordinator is also available to employees, authorized to provide advice on ethical dilemmas and to receive feedback on potential irregularities. Communication can be done by e-mail, in person or through the office, while respecting the highest standards of confidentiality and discretion.

This approach enables not only effective resolution of specific issues, but also strengthens the ethical resilience of the organization and the trust of all stakeholders in the long run.

1.6.5. Culture of ethics and protection of whistleblowers

Telekom Srbija is committed to building a culture of trust and integrity in which employees and external stakeholders feel free to report potential irregularities or unethical behavior, without fear of any negative consequences. This approach allows the company to identify risks in time, improve internal processes and strengthen the resilience of the governance system. All reported cases are treated with the highest degree of confidentiality, while the identity of the complainant is protected in accordance with legal frameworks and internal procedures, including:

- The decision on the appointment of a person to receive information on the conduct of the whistle-blowing procedure
- Decision on the appointment of an authorized person to initiate the procedure for protection against abuse at work
- Rulebook on the internal whistle-blowing procedure

For all reported cases, the Telekom Srbija company conducts thorough and impartial investigations, ensuring the integrity of the process and strengthening the trust of employees, partners and the wider community in the protection and control systems. The results of investigations are transparently reported to the Audit Commission, which ensures consistency in the application of internal policies and legal frameworks.

In 2024, there were no reported cases of whistleblowing, which additionally confirms the effectiveness of the prevention system and the high level of trust of employees in internal protection mechanisms.

1.6.6. Conflict of interest

Telekom Srbija consistently maintains a high commitment to preventing and managing conflicts of interest, relying on clearly defined internal rules, the Code of Conduct and the Code of Corporate Governance. These frameworks apply to all employees and members of corporate governance bodies, representing the foundation of the company’s corporate ethics and culture of integrity.

Employees are required to act solely in the interest of the company, avoiding any activity or relationship that could jeopardize their objectivity or create a real or perceived conflict of interest.

This principle covers situations where a benefit could arise for family members, friends or business partners of employees. In cases of potential conflict of interest, employees are obliged to immediately notify their immediate supervisor and provide all relevant information, ensuring complete transparency and preservation of professional integrity in decision-making. The company strictly prohibits any influence of personal interests on professional decisions.

Supervision over the implementation of conflict of interest management policies is carried out by the Supervisory Board, through its committees and internal management structures. During the reporting period, no significant cases of conflicts of interest were recorded, which confirms the effectiveness of the company’s policies and the high level of employee awareness of the importance of ethical business.





1.6.7. Suppression and prevention of corruption and bribery

At Telekom Srbija, integrity and ethics are not options, but the foundation on which trust and sustainable growth are built. The company has zero tolerance for corruption and bribery and is strongly committed to taking all measures to prevent any form of undue influence in business through everyday practices, education and internal controls.

Employees are the pillar of the company's reputation and therefore have a clear obligation to refrain from giving or receiving gifts, benefits or conveniences that could affect objectivity or create an obligation, except for protocol and symbolic gifts in accordance with applicable laws and best practices for the prevention of corruption.

In this manner, Telekom Srbija demonstrates that ethics and responsibility are not just words on paper, but a standard of conduct that builds a sustainable and responsible business ecosystem, aligned with the expectations of shareholders, partners, investors and the community.

Telekom Srbija, as a legal entity founded or member of which is the Republic of Serbia, consistently monitors and implements all legally prescribed measures in the field of mandatory employee training for the prevention of corruption and strengthening integrity. In accordance with legal obligations and deadlines prescribed by the Anti-Corruption Agency, the Company conducts "Ethics and Integrity" training for all defined categories of employees.

With this approach, Telekom Srbija affirms its commitment to building a culture of integrity, responsibility and transparency, strengthening business resilience and stakeholder trust in all aspects of corporate governance.

1.6.8. Operations assessed for corruption-related risks

It is clear that sustainability does not only start with green technologies and digital innovations, but primarily with honesty that builds the trust of the community, users and partners. That is why Telekom Srbija has resolutely set integrity and corruption prevention as the basis of its business, because this is the only way to contribute to the resilience and sustainable transformation of Serbia in the long term.

With a systemic approach to assessing corruption risks, Telekom Srbija is demonstrating that proactivity has become everyday practice, not just a legal obligation. The Integrity Plan, as a strategic document developed in accordance with the Law on the Prevention of Corruption and the recommendations of the Agency for the Prevention of Corruption, has become a tool with which Telekom Srbija protects its employees, business processes and the community from risks that may threaten stability and trust.

In the third cycle of the Integrity Plan, the Company conducted a comprehensive risk assessment of all key business processes, with a focus on areas traditionally more exposed to risk – procurement, human resource management and finance. This process was not only an administrative obligation, but also the moment when every link in the system became part of a joint fight to preserve the trust of users and investors.

For Telekom Srbija, sustainability means building a system in which trust, transparency and integrity are as important as digitalization and innovation. This approach allows the Company to be a reliable partner of the community, users and investors, ready to build a resilient Serbia with them for generations to come.

1.6.9. Confirmed cases of corruption and measures taken

For Telekom Srbija, zero tolerance towards corruption and unethical behavior is not just an attitude – it is the foundation of the business culture. It is a promise to customers, investors and communities that every decision will be made honestly, transparently and responsibly, because it is only in this way that the company can remain a trusted partner and a pillar of sustainable development in Serbia.

During 2024, the Company demonstrated that systemic integrity building yields results. Through internal reporting and whistleblowing channels, not a single report related to suspected corruption was recorded, nor were there any confirmed cases that would result in disciplinary measures, dismissals or legal proceedings against employees. However, zero cases of corruption are not a reason to relax – but rather a motivation to continue improving anti-corruption mechanisms.

During the year, systematic work was carried out on the implementation of measures from the Integrity Plan aimed at reducing risks and strengthening prevention mechanisms. The implementation of these measures, defined in the third cycle of the Integrity Plan, demonstrates the determination to turn every risky process into an opportunity for improvement, not a point of vulnerability.

Special attention has been paid to informing employees about the available channels for reporting suspicions of corruption and other irregularities, as each employee is a key link in the integrity protection chain. Activities have been introduced to update internal acts in order to increase transparency and reduce the risk of irregularities, and in parallel, preparations have begun for the development of a new Integrity Plan so that Telekom Srbija can be ready to meet the requirements of the fourth cycle that the Agency for the Prevention of Corruption is preparing.

During October and November 2024, Telekom Srbija actively followed the consultative meetings that the Agency, in cooperation with the OSCE Mission in Belgrade, held to improve the draft Integrity Plan and identify work processes exposed to corruption risks. This commitment shows that Telekom Srbija is not an observer in the process of strengthening anti-corruption practices in Serbia, but also an active actor of change.

Transparency in reporting incidents is not an obligation, but a test of integrity that Telekom Srbija takes every day, building the Company's resilience through responsibility and openness. Thus, Telekom Srbija demonstrates with every step that sustainability also means honesty, since only a transparent system can last and contribute to generations to come.

1.6.10. Communication and training on anti-corruption practices and procedures

Education is the first line of defense against corruption. Through systematic training and regular communication, a corporate culture is built that recognizes, prevents and reports unethical behavior, because only informed employees can be true guardians of the Company's integrity.

Anti-corruption policies and procedures are available to all employees via an internal portal, where all relevant documents are located, including the Code of Corporate Conduct and materials on ethics and integrity.

A special section of the HR Center is dedicated to corporate culture, where employees can keep up with standards of conduct and the results of research on organizational culture.

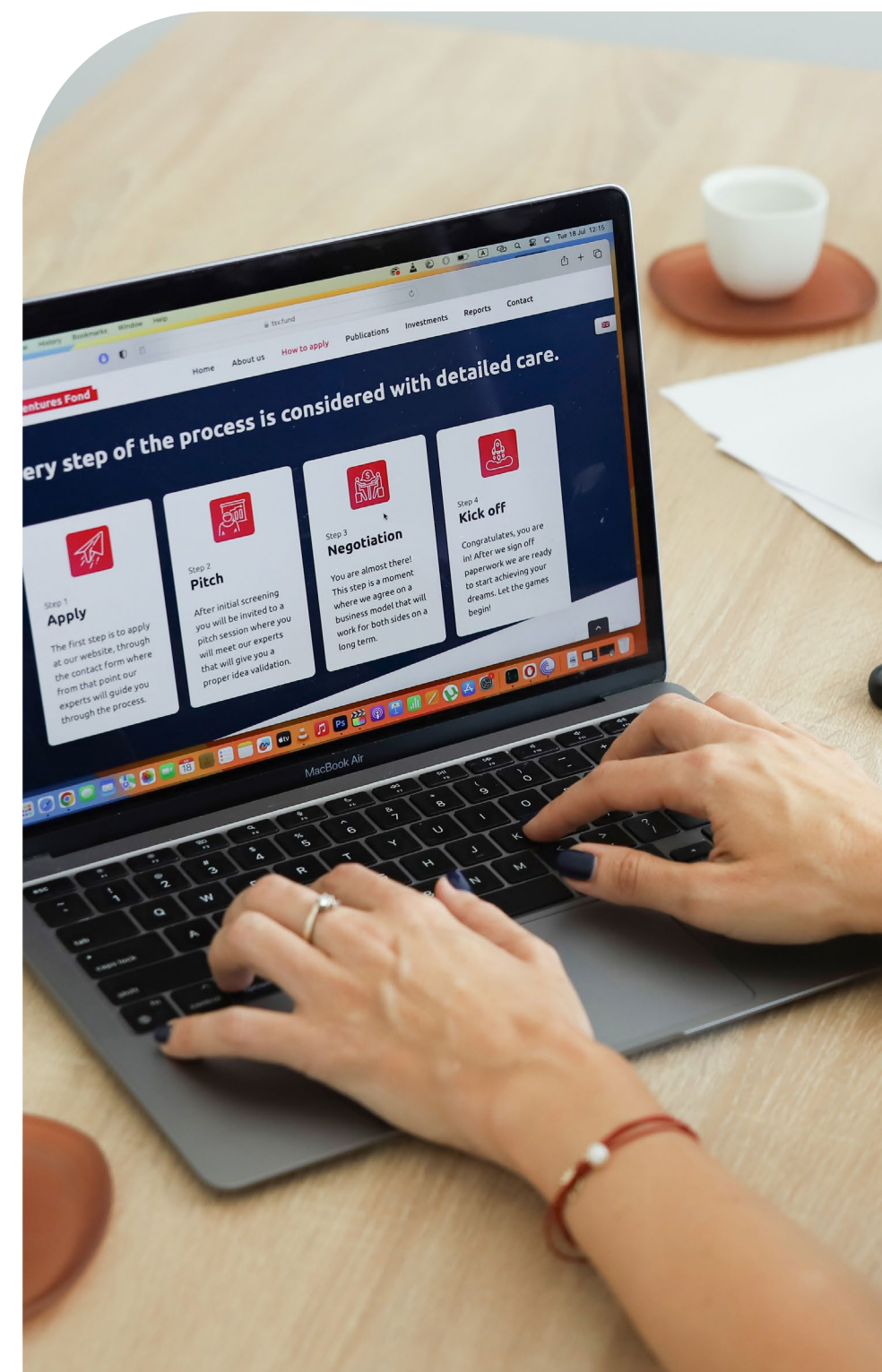
In the fall of 2024, Telekom Srbija laid special emphasis on communicating internal whistleblowing procedures, informing all employees by a circular email about their rights and ways to report information regarding integrity violations. In this way, every employee knows that they are protected in their intention to report corrupt behavior and irregularities.

In accordance with the Law on the Prevention of Corruption and the Instructions for Implementing Training in the Field of Preventing Corruption and Strengthening Integrity, the Company implemented a comprehensive training program for all employees. As a legal entity founded by the Republic of Serbia, Telekom Srbija has a special obligation to conduct training, keep records of participants and report to the Agency for the Prevention of Corruption on the activities carried out.

The approach to training was not only about fulfilling the legal form, but also about creating meaningful and applicable knowledge. In the past two years, priority has been given to developing internal capacities for continuous education. Telekom Srbija has provided certified training providers, who conduct training within the Company, ensuring that all employees and managers are included. Given the large number of employees and the need for efficient training, a blended learning model has been implemented.

Comprehensive online training material "Ethics and Integrity" has been developed and is made available to all employees through the internal learning platform "My Learning". The material is designed to be applicable, with real examples and ethical dilemmas that employees may face. Key training content includes:

- Understanding the concepts of ethics and integrity in a business context
- Recognizing conflict of interest situations and how to resolve them
- Rules on receiving and giving gifts
- Channels for reporting irregularities and whistleblower protection mechanisms





The Anti-Corruption Agency received a report that a total of 5,231 employees successfully completed the “Ethics and Integrity” training, of which 2,488 were men and 2,743 were women. Gender balance shows that access to education reaches all employees equally, regardless of gender.

This training:

- is mandatory for all employees and managers,
- covers key topics such as recognizing corruption, conflicts of interest, ethical dilemmas and handling gifts,
- is available on the internal “My Learning” platform, so that everyone can access it at their own pace,
- contains practical examples and interactive elements, making complex topics understandable and applicable in everyday work.

Telekom Srbija regularly keeps records of training attendance and reports to the Agency for the Prevention of Corruption on the activities carried out, fully complying with legal obligations and the principles of transparency.

Through these comprehensive communication and educational activities, Telekom Srbija creates an environment in which every employee understands their role in preserving the integrity of the Company and possesses the knowledge and tools necessary for ethical behavior.

For, the integrity of the Company begins with the knowledge of each individual, and that is why Telekom Srbija invests resources, time and attention to ensure that education and awareness are the foundation of every step towards sustainability.

The adoption of the new Internal Audit Code of Ethics, which is adjusted to new international standards represents a significant progress in 2024. The Code of Ethics elaborates in detail on standards such as professional courage, maintaining objectivity, continuous professional development, professional scepticism and information protection. In addition to being a guide for internal auditors, this document also serves as a model of ethical behavior for the entire organization, and is available, like training, to all employees through the Company’s internal portal.

Telekom Srbija is particularly proud of the awareness-raising campaign on whistleblower protection implemented in the fall of 2024. In accordance with the measure prescribed in the Integrity Plan, all employees were sent detailed instructions via circular email on how to report information regarding internal whistleblowing and cases of integrity violations Integrity Plan – Whistleblower Protection.

As a signatory to the Declaration on Combating Corruption within the UN Global Compact initiative, Telekom Srbija has an additional responsibility to actively promote anti-corruption principles. This declaration, which the Company signed back in 2011, represents a permanent commitment to opposing corruption in all its forms. Accordingly, for years, through ESG reports, the Company’s educational activities also include informing employees about Principle 10 of the Global Compact – Combating Corruption, as well as the importance of collective action in creating a transparent business environment.

The Company’s vision for the coming period is to further improve the anti-corruption training program through, for example, measuring the impact of training on employee behavior and organizational culture or through developing more advanced modules for specific organizational units. Continuous education and open communication on ethical issues are key to maintaining high standards of integrity at Telekom Srbija. The training program not only transfers knowledge, but also builds a corporate culture in which ethical behavior becomes a natural and inseparable part of Telekom Srbija’s everyday activities.

1.6.11. Money laundering

Telekom Srbija consistently implements an anti-money laundering policy as part of a comprehensive system of risk management and compliance with legislation, recognizing its importance in preserving business stability, reputation and value for shareholders.

The Company takes all necessary measures to prevent money laundering, which includes concealing the source of funds associated with criminal activities and/or converting proceeds from illegal activities into funds that are presented as legitimate. Telekom Srbija operates exclusively with verifiable, reputable partners who operate in accordance with applicable regulations and use funds from legal sources, which actively minimizes financial and reputational risks.

In accordance with ESG principles and the requirements of regulatory bodies, the Company conducts employee training to strengthen their awareness of the importance of preventing money laundering and potential risk indicators. Employees are obliged to show a high level of care and professional ethics, and to immediately report all identified payment irregularities, unusual patterns of customer behavior or suspicious transactions to the relevant organizational units or responsible persons in the company.

1.6.12. Competition issue

The company recognizes the key role of competition protection in market development and preserving the rights and interests of consumers and users of its services. Also, it consistently applies all regulations in the field of competition protection, thus ensuring legal, fair and ethical market competition. Telekom Srbija clearly opts for business in accordance with the principles of competition protection and the rules of the free market. It achieves competition through quality and a unique offer of services, and builds professional and transparent relationships with competitors based on mutual trust and respect.

1.6.13. Personal data protection

The Rules of Personal Data Protection defines the basic principles and rules of conduct in the field of processing and protection of personal data, taking into account the probability of occurrence of risk and the level of risk for the rights and freedoms of natural persons. More on this segment of the business arrangement in the Material Topics of this report.

1.6.14. Prohibition of discrimination

The Company prohibits any unjustified discrimination or unequal treatment, including exclusion, restriction or preference, whether overt or covert, against individuals, groups, members of their families or close associates. These practices are strictly prohibited when they are based on race, color, descent, citizenship, national or ethnic affiliation, language, religious or political beliefs, gender, gender identity, sexual orientation, financial status, birth, genetic characteristics, health status, disability, marital and family status, criminal record, age, physical appearance, membership in political, trade union or other organizations, as well as other real or perceived personal characteristics. The Company actively accepts and promotes the principles of diversity and inclusion within its workforce, creating an environment where diversity is valued and respected.

1.6.15. Integrity Plan

In accordance with the Law on the Prevention of Corruption, Telekom Srbija a.d. opted and submitted to the Agency for the Prevention of Corruption the Integrity Plan, which is a key strategic and operational document within the corruption risk management system. The plan is based on a systematic risk self-assessment, determining the level of exposure and defining target measures for their prevention, with the aim of improving integrity, transparency and professional ethics in all business segments.

The purpose of the Integrity Plan is to identify areas and processes subject to high risks of corruption and other irregularities, assess the intensity of those risks, and define effective measures for their prevention and elimination. This establishes a strong mechanism that ensures efficient and responsible functioning of the Company, through strengthening corporate responsibility, simplifying procedures, increasing transparency in decision-making, control of discretionary powers and constant strengthening of ethical standards.

By implementing the Integrity Plan, Telekom Srbija effectively eliminates inefficient practices and unenforceable regulations, while introducing a monitoring and control system that guarantees compliance with current legislation and international standards. This approach testifies to the Company's commitment to building trust, preserving reputation and sustainable development through professionalism and responsibility.



1.6.16. Risks that turn into opportunities

Telekom Srbija does not view risks as threats that slow down business, but as opportunities for growth, improvement and strengthening of the trust of users, partners and the community. For the Company, risk management is not only a formal obligation but a strategic tool for sustainable and responsible development.

The Company implements an integrated management system (IMS) that integrates the areas of quality, information security, business continuity, care for the environment and employee health. This approach is based on international standards ISO 9001, ISO/IEC 27001, ISO 22301, ISO 27701, ISO 20000-1, ISO 45001 and ISO 14001, which enables Telekom Srbija to look at risks from multiple angles, going beyond the traditional operational framework.

Certified management systems represent more than compliance with laws and regulations – they reflect the Company's ambition to be a leader in the application of best practices. During 2024, compliance was confirmed through inspections, internal and external audits, as well as oversight by regulatory bodies, with no cases of significant non-compliance that would lead to sanctions or fines.

In its operations, the Company applies the principle of risk-based thinking, rooted in the ISO 9001 standard, so that every business decision, new service or technical innovation is analyzed through the prism of potential risks and opportunities. This approach ensures high quality of services, long-term customer satisfaction and strengthening of the market position.

Through the ISO/IEC 27001 standard, the Company actively protects the security and confidentiality of data, while ISO/IEC 27701 further strengthens the focus on privacy, in accordance with the GDPR regulation and domestic legislation. These systems are constantly being developed in order for Telekom Srbija to remain a reliable custodian of its users' data.

By implementing the ISO 22301 standard, the Company ensures a high level of resilience and preparedness for emergency situations, through regular implementation of Business Impact Analysis, development of recovery plans and scenario testing to guarantee business continuity.

In the field of IT services, by applying the ISO/IEC 20000-1 standard, the company identifies and manages risks related to the availability, capacity, security and continuity of services, ensuring the fulfilment of SLA obligations and preserving user trust.

For Telekom Srbija, employee safety and health are a moral imperative, not just a regulatory obligation. By applying the ISO 45001 standard, the Company systematically identifies and eliminates workplace risks through training, incident analysis and consistent preventive measures, thereby building a culture of safety as a daily value.

Environmental aspects represent a key segment of the risk approach. Application of the ISO 14001 standard enables the identification and management of environmental impact – from gas emissions and resource consumption, to responsible waste management and biodiversity protection. In this manner, Telekom Srbija actively reduces its ecological footprint and contributes to the community.

The Company applies a multi-layer control model:

- The first line of defense is all employees, who identify and reduce risks in their daily work.
- The second line includes specialized functions such as occupational safety, environmental protection, quality control and controlling.
- The third line is internal audit as an independent function, which checks the effectiveness of controls, identifies weaknesses and makes recommendations for improvement.

This comprehensive approach, based on international standards and best practices, enables Telekom Srbija to turn risks into opportunities for improvement, thus building a stable and responsible business, in line with the expectations of users, partners, investors and the community.

For the Company, risk management is not only a segment of internal control, but also part of its identity and a pillar on which it builds a sustainable future. By transparently communicating the current state and vision of the future, Telekom Srbija shows that leadership implies constant learning, adaptation and the courage to create new value from challenges.

During 2024, a certification check was successfully performed for the standards ISO 9001, ISO/IEC 20000-1, ISO 22301, ISO/IEC 27001 and 27701. The purpose of the certification check is to ensure that the organization continues to meet the requirements of the relevant standards, to regularly improve its management systems, to strengthen the trust of stakeholders and to maintain a competitive advantage in the market.

This is extremely important for maintaining a high level of service quality, security and efficiency in business. The successful recertification of all key management systems attests to the Company's commitment to continuous improvement and compliance with international standards. Telekom Srbija is particularly proud of the fact that the recognitions confirm that it is on the right track towards living up to its vision of being a leader in sustainable business in the telecommunications industry of the region.



1.7. Partnerships that shape a sustainable digital ecosystem

During 2024, Telekom Srbija actively participated in the work of numerous international and national organizations, associations and business forums, confirming its commitment to partnerships as the foundation of sustainable development and digital transformation of society.

Through the exchange of knowledge, contribution to initiatives and joint work on shaping public policies in the fields of telecommunications, sustainability, transformation of human resources and improvement of the business environment, Telekom Srbija has demonstrated that partnerships are not a formality, but a strategic tool for creating a resilient business that creates value for the community, users and investors.

By actively participating in key industrial and cross-sectoral associations, Telekom Srbija ensures timely monitoring of global trends, exchange of best practices with leading companies and constant improvement of business models, thereby contributing to the development of the telecommunications industry in the region and strengthening capacities for the integration of ESG principles in all spheres of business.

These memberships enable Telekom Srbija to participate in the dialogue on shaping the regulatory and business framework, to contribute to the development of sustainable business practices and to build a business environment that is transparent, efficient and aligned with the highest industry standards.

Through this approach, the company confirms its role as a reliable partner in the community, an active agent of change and a leader in the digital transformation of Serbia, showing that sustainability is a path that is built through cooperation, innovation and responsibility towards future generations.

Key partnerships

GSM Association (GSMA): Global standards as a foundation of trust

Since 1998, Telekom Srbija has been part of the GSMA, which ensures compliance of its services with world standards, enables the conclusion of over 500 international roaming agreements and access to the latest technologies, such as the VoLTE roaming standard. Through active participation in the GSMA community, Telekom Srbija remains part of the global telecom network, which enables users in Serbia to connect with the world, and provides the Company with stability and a competitive advantage.

TM Forum: Accelerating Digital Transformation

As a member of the TM Forum since 2005, Telekom Srbija uses global knowledge, case studies and KPI indicators to optimize processes and introduce new services faster with lower risks. By adopting TM Forum standards, such as the eTOM model for network monitoring and training employees through TM Forum trainings, Telekom Srbija improves efficiency, reduces development costs and strengthens the resilience of its IT systems.

Connect Europe: The voice of industry in the EU

As a member since 2019, Telekom Srbija participates in the creation of future EU policies relevant to the telecommunications industry. Active participation in working groups, development of the Strategic Agenda 2024-2029 and initiatives for Fair Share financing of networks, enables Telekom Srbija to timely adjust its strategies and influence regulatory changes, ensuring readiness for new 5G/6G standards and digital infrastructure requirements.

Gartner: Informed decision-making on IT strategies

Since 2006, Telekom Srbija has been using Gartner's consultations and reports to make informed decisions about the development of IT architecture, the transition to the Cloud and the introduction of 5G services. More than 300 relevant documents per year and direct contacts with Gartner analysts enable Telekom Srbija to strengthen its negotiating position with suppliers and plan IT projects more successfully, thereby increasing resistance to technological changes.

Cullen International: Regulatory Compliance and Strategic Planning

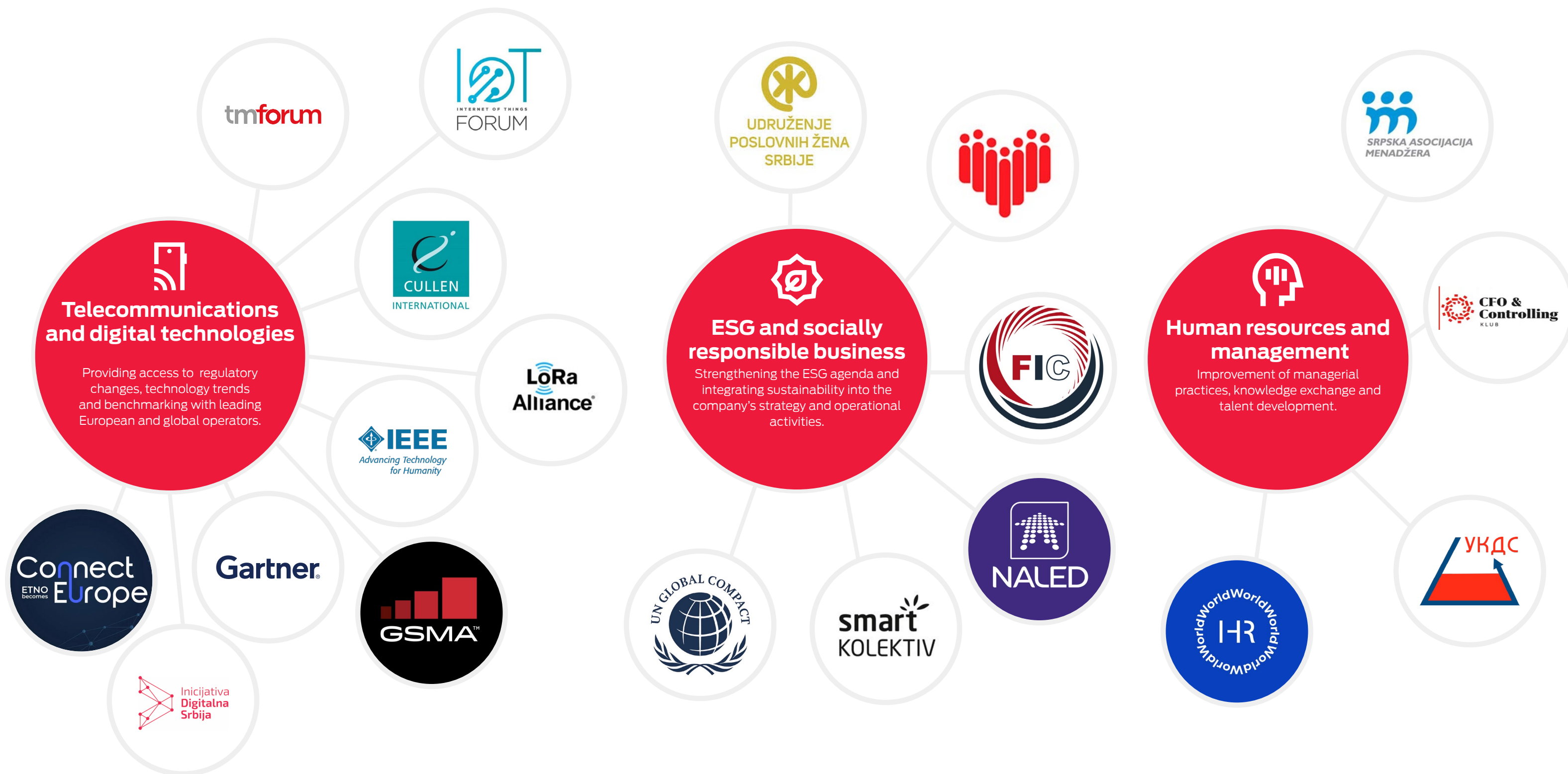
Through membership in Cullen International since 2010, Telekom Srbija has access to a unique source of current regulatory data and comparative analysis of regulations from over 70 countries. By using Cullen International services, Telekom Srbija ensures timely alignment with EU standards, improves strategies in areas such as roaming, network sharing and competition, thereby ensuring sustainable business in accordance with regulatory trends.

UN Global Compact: Sustainable business as a priority

As a member of the UN Global Compact since 2010, Telekom Srbija confirms its commitment to responsible business through the application of 10 universal principles and Agenda 2030, regularly publishing its progress reports. Through UNGC's resources and workshops, Telekom Srbija improves ESG reporting and integration of sustainable development goals into business strategy, building investor and public trust.

Chamber of Commerce of Serbia: Connecting with the community

Long-term membership of the Serbian Chamber of Commerce makes it possible for Telekom Srbija to actively participate in shaping the business climate in Serbia, contributes to the development of digital infrastructure, including the development of the 5G network, and participates in strategic projects important for the domestic economy. Through cooperation with the Serbian Chamber of Commerce, Telekom Srbija achieves better connections with state institutions and potential investors, thereby contributing to the further digitization of society.





By participating in the aforementioned organizations and associations, Telekom Srbija provides access to the latest expert analyses, regulatory trends and standards of good practice, while at the same time it actively contributes to shaping the business and regulatory environment in which it operates. These memberships allow the company to actively contribute to the development of the sector, strengthen the application of ESG principles and strengthen its position as a leader in digital transformation and sustainable development at the national and regional level.

2.

SUSTAINABILITY MANAGEMENT

2. Sustainability management

2.1. ESG strategy

Telekom Srbija Group's new ESG strategy was drawn up during 2024 and covers the strategic period from 2025 to 2029. All relevant organizational units participated in its development, in order to ensure a comprehensive and integrated approach based on the real needs and potential of the Company.

With this strategy, Telekom Srbija Group confirms its strong commitment to the principles of sustainability and social responsibility, with the aim of making ESG topics an integral part of the corporate culture and daily operations. Striving for high standards in the field of environmental protection, social impact and corporate governance, the Company clearly demonstrates its ambition to be a leader in responsible business and to contribute to the long-term development of the community and the preservation of resources for future generations.

ESG strategic framework of Telekom Srbija Group for the 2025-2029 period was designed in the form of a **“strategic house”**, with the ESG mission and vision at its top. The following are recognized as the foundations of this house, which should play the role of key supports: **People**, **Infrastructure** and **Processes**. Their mutual synergy makes it possible for ESG principles not to remain isolated, but to become an integral part of the daily operations of all members of the Group.

People are the most important prerequisite for the success of the ESG strategy. Their commitment, knowledge and skills are particularly important for the implementation and maintenance of ESG initiatives. Telekom Srbija constantly invests in the education and professional development of employees, in order to ensure that they have the necessary competencies to achieve ESG goals.

Infrastructure forms the operational foundation of the ESG strategy. By investing in modernization, energy-efficient technologies and renewable energy sources, the Company improves efficiency and reduces negative impact on the environment.

The processes enable standardization, transparency and integration of ESG principles in all aspects of business. Well-defined processes ensure that ESG goals are consistently implemented throughout the organization.

The aforementioned foundations support the three **interconnected pillars** of the ESG strategy: **E (Environment)**, **S (Society)** and **G (Corporate Governance)** – for which clear goals and materially significant topics are defined, with appropriate measures for their realization.

In the area of **the environment**, the ESG strategic framework is aimed at improving environmental sustainability through responsible resource management, reducing negative environmental impacts and strengthening ecosystem resilience, in order to ensure long-term well-being for future generations.

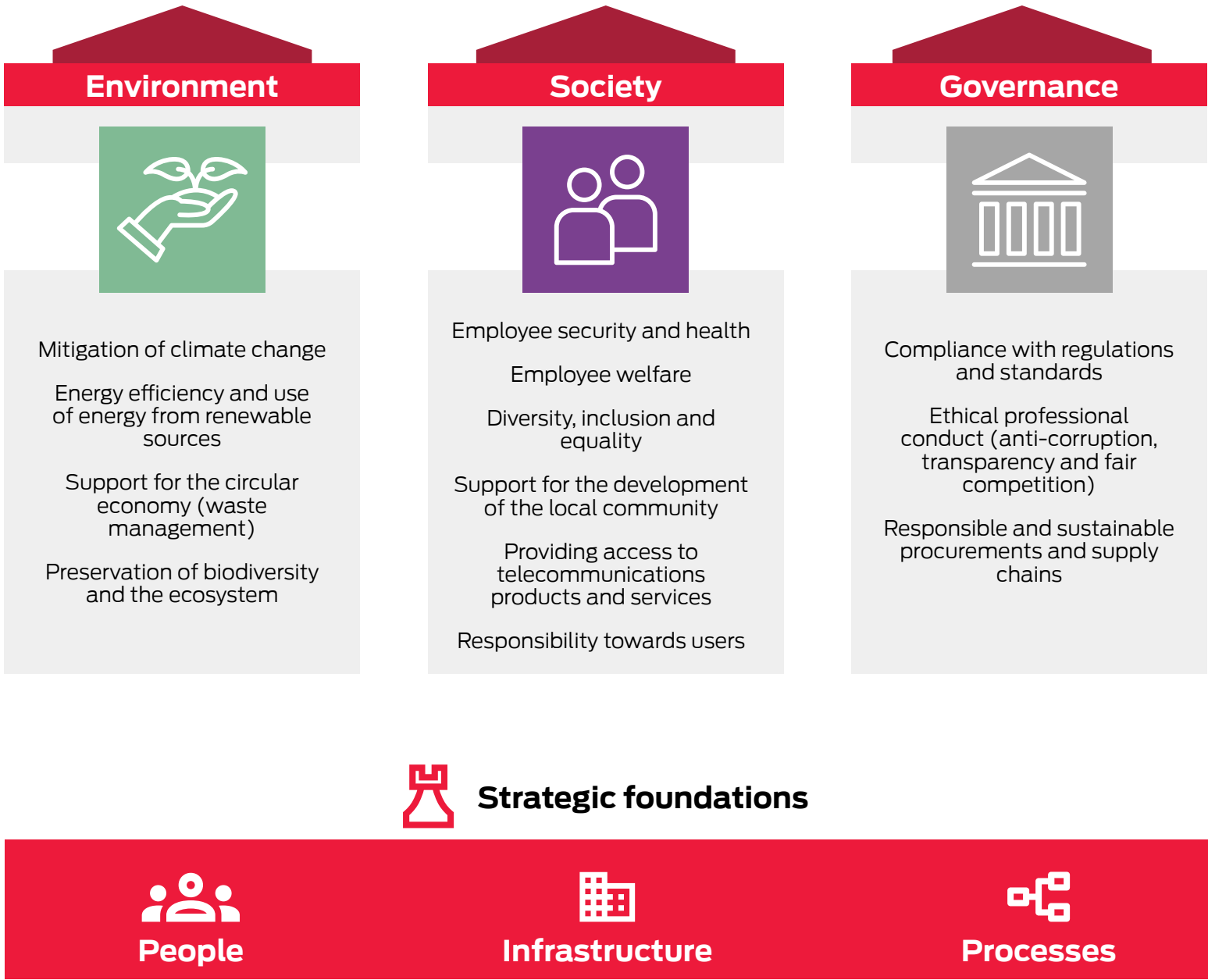
In the domain of **social responsibility**, the focus is on building a safe, inclusive and stimulating work environment, supporting employees and the local community, as well as promoting equality, talent development and social inclusion of users.

When it comes to **corporate governance**, the ESG strategic framework implies strengthening the culture of transparency, responsibility and compliance with regulatory and international standards, along with continuous improvement of business processes and management mechanisms.

In this way, Telekom Srbija Group's ESG strategic framework not only directs activities towards the achievement of specific goals within each ESG pillar, but also provides a comprehensive, integrated and long-term sustainable approach to business.



ESG Strategic Framework of Telekom Srbija



The described strategic ESG framework enables Telekom Srbija Group members to effectively implement defined ESG initiatives, consistently monitor and improve ESG performance, ensuring that all activities are aligned with the set goals, values and principles of sustainable business.


ESG Vision
A stable partner of the community on the path to creating a society of well-being and preservation of the environment.


ESG Mission
Honouring the international standards of sustainable development, we continuously contribute to the creation of better conditions for the life and work of the community and the natural environment.

2.1.1. The role of the top governance bodies in shaping and monitoring the ESG strategy

Sustainable and efficient business is a strategic priority of Telekom Srbija Group, clearly defined by the Group's Strategic Plan and the functional Corporate Social Responsibility Strategy for the 2022-2026 period, adopted by the competent corporate bodies. These documents lay the foundation for the integration of ESG principles in all aspects of the group's operations, ensuring that responsible business is an integral part of daily processes and strategic decisions.

In cooperation with key stakeholders and through the process of identifying material topics, an ESG strategy was defined that includes the areas of climate change and energy efficiency, biodiversity protection, responsible resource management, social inclusion through digitization and improvements in corporate governance. By adopting this strategy, Telekom Srbija Group confirms its commitment to reducing ESG risks, creating new values for all stakeholders and strengthening the resilience of the business model.

The Supervisory Board, as the highest management body, is responsible for defining and adopting the group's ESG strategy, as well as for setting binding principles of sustainable business and ethical management. Operational implementation of ESG goals is realized through management activities of all members of the group, with clearly defined responsibility and regular monitoring of progress.

Telekom Srbija Group is committed to continuous education of management and employees on ESG principles, in order to improve the decision-making process and ensure the consistent application of sustainability principles in every business segment.

In order to strengthen the trust of investors, banks, partners and users, as well as to respect the principles of transparency, Telekom Srbija Group regularly reports on ESG activities through annual ESG and business reports. The ESG report preparation procedure includes the active participation of all organizational units that provide accurate and relevant data in accordance with their competences, enabling a comprehensive and transparent presentation of progress in the realization of the group's ESG goals.

2.1.2. Supplier and value chain management

Value chain mapping

The value chain represents an integrated set of activities, resources and business relationships that form the basis of the Company's business model, from the development of products and services, their distribution and use, all the way to the end of their life cycle. This chain includes the impacts that the company has in its external environment, including economic, environmental and social aspects.

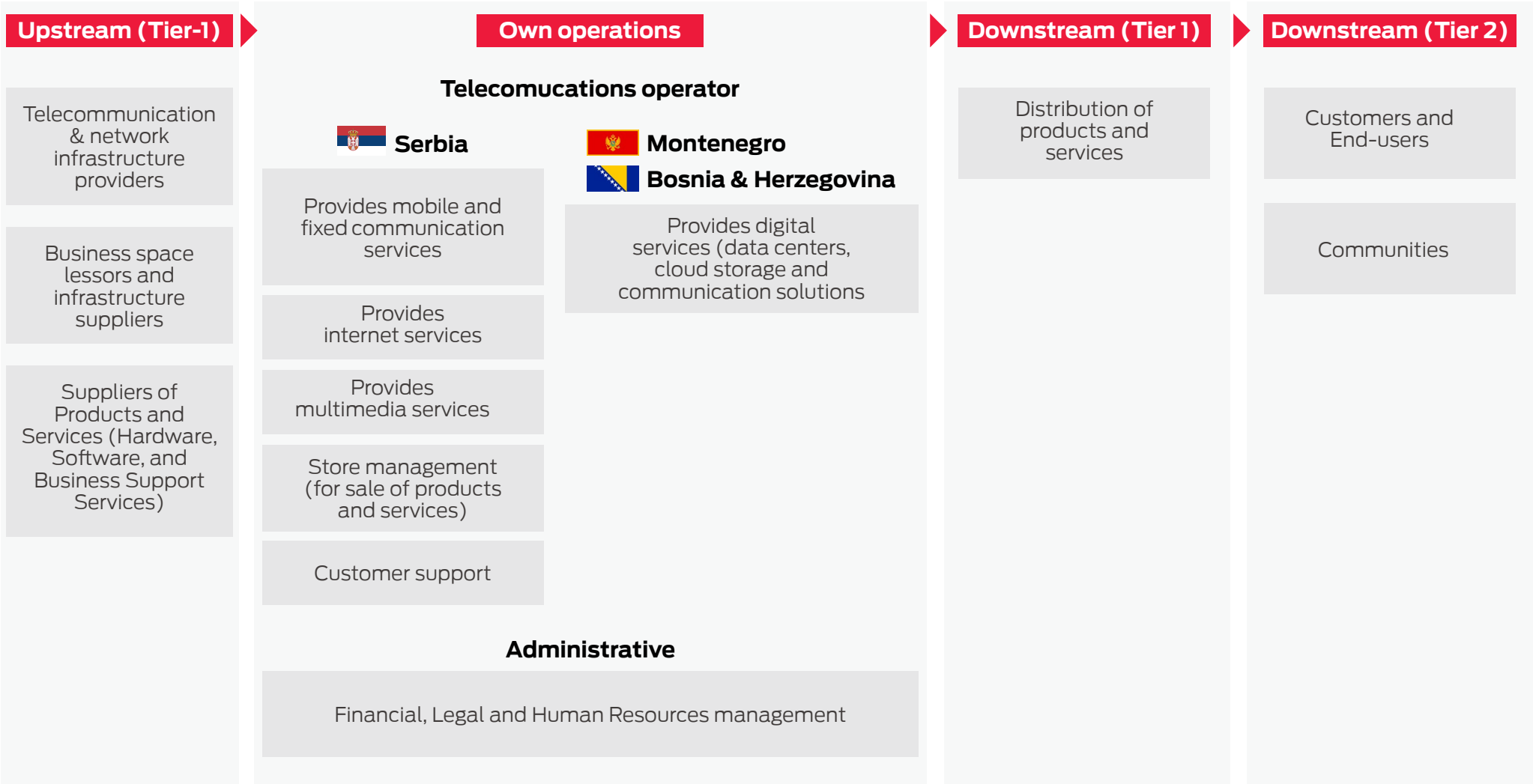
The linear value chain includes a direct sequence of activities and players that participate in the creation and delivery of products and services to users.

Telekom Srbija is gradually putting into practice the assessment of the impact of its own operations on people and the environment, as well as the impact of business relations with partners and suppliers in the upstream and downstream phases of the value chain. With this approach, the company provides a comprehensive understanding of ESG risks and opportunities, strengthening the resilience of the business model.

The non-linear value chain includes players who are not directly connected to production or distribution, but play a key, supporting role in the business ecosystem of Telekom Srbija. This approach allows the Company to recognize and value the indirect contributions of business relationships, strengthening partnerships and positive impacts on the community and the environment.

Mapping and definition of key processes within the linear and non-linear value chain of Telekom Srbija was done, in order to ensure transparency and sustainable growth throughout the entire business.





Non-linear value chain

Business Partner	Type of relationship	Value chain position
Government	58% ownership	Company stakeholder
Biodiversity Protection Associations	Collaboration to support initiatives	Company stakeholder

During 2023 and 2024, the regular updating of internal acts in the area of procurement continued with the aim of promoting and improving the procurement process in the Telekom Srbija Group. New, updated general terms for the implementation of procurement procedures were adopted, which refer to different categories and types of procurement, including deliveries of telecommunications and IT equipment, performance of works, provision of technical support and servicing, as well as preparation of technical documentation. It is important to point out that the share of domestic suppliers in the supply chain is a high 95%.

Although suppliers are not evaluated according to environmental protection criteria, all purchases are made in accordance with valid legal and internal regulations, which also include obligations in the area of environmental responsibility. In accordance with the Procurement Policy of Telekom Srbija, one of the basic principles during procurement is the principle of “Protecting the environment and ensuring energy efficiency”. This implies the procurement of materials and services that have a minimal negative impact on the environment, preserve natural resources and reduce the generation of waste, as well as products and services that contribute to energy efficiency and energy saving.

The general terms for the implementation of procurement procedures clearly prescribe the bidder’s obligations in the field of environment protection, social and labor rights. In particular, the bidder may be excluded from the procurement procedure if, in the previous two years before the deadline for submission of bids, a violation of obligations in these areas was determined, including non-fulfillment of collective agreements and international standards for the protection of workers and the environment. Evidencing these criteria is conducted through written statements, which may be subject to additional checks and requests for additional documentation.

Also, in all special conditions related to specific procurements, it is necessary to define requirements related to occupational safety and health, which ensures that all activities in the procurement chain meet high standards of social and environmental responsibility.

2.2. Stakeholder engagement

Stakeholders are all those who influence the organization or are influenced by its actions either directly or indirectly, positively or negatively. They have an interest in, influence or are in any way affected by a project, decision, organization or business. Telekom Srbija applies a systematic approach to stakeholder engagement, recognizing that open dialogue and partnership relations with all interested parties are key to the long-term success and sustainability of the Company's operations. This approach includes regular identification and prioritization of stakeholders, development of customized engagement strategies for each group, and constant collection and implementation of feedback into Telekom Srbija's business decisions and strategies.

Identification of stakeholders is very important, because each of them may have different requirements, needs and influence on the success or failure of the business. Managing their expectations and communicating with them are key to the successful implementation of any of their activities.

Engagement with stakeholders takes place through multiple channels and formats, including:

- web presentation, social networks, multimedia, email communication, public discussions,
- direct meetings and workshops,
- polls and surveys of satisfaction (e.g. employees, users),
- annual financial and non-financial reporting,
- membership in relevant national and international associations,
- participation in regulatory consultations.

Groups of internal and external stakeholders are identified empirically by competent organizational units that have continuous communication with them. Their relevant requirements in relation to Telekom Srbija's operations and communication channels have been determined.

Stakeholders of Telekom Srbija

Stakeholder	Relevant requirements
Public administration	Regulatory Compliance; Sustainable use of resources; Respect for human and labor rights
Investors	Financing of ecologically sustainable projects, in accordance with the "green transition" of the economy and society
Supply chain (suppliers of goods and services)	Implementation of sustainability measures throughout the supply chain; timely and objective supplier reporting on the Company's ESG performance
Lessors of business premises	Legally regulated lessor – lessee relationship; Preservation of natural resources during the use of the leased space
Users	Protection of public health and human health; Sustainable development (economic, social and environmental)
Social community	Sustainable development (economic, social and environmental); Timely and transparent information about the environmental and social impact of the Company's business activities
Employees	A healthy living environment and work in a pleasant environment; Possibility of advancement

Special attention is paid to employees and their representatives. Telekom Srbija enables collective bargaining within the legal framework of the Republic of Serbia, and various formal mechanisms for expressing opinions are available to employees - including unions, internal surveys and direct communication with management. In this way, the Company ensures that employees' views are taken into account when making decisions regarding their rights, working conditions and career development. Based on the feedback collected, several new FFE initiatives were implemented.

This approach to stakeholder engagement ensures transparency, two-way communication and constant adjustment of ESG priorities to the real needs of the community, market and employees.

In 2024, as part of the materiality assessment and ESG strategy development process, additional consultations were conducted with representatives of internal and external stakeholders, including the evaluation of key ESG risks and opportunities in cooperation with the sectors responsible for strategy, human resource management, environmental protection, as well as external partners.



2.3. Communicating about important topics of sustainable business

ESG reporting involves the systematic collection and publication of numerous information on how the Company manages its impacts, risks and opportunities related to the environment and society. Since the number of topics from the environmental, social and management segments is large, and they are not equally important for every company, the process of determining specific material topics is essential in order to determine the list of topics that the Company will deal with and will focus on in reporting.

The selection of material topics and the prioritization of the most important ones includes the context of the organization, the activity it is engaged in, the requirements of reporting standards, comparison with other organizations of the same sector, and the views of internal and external interested parties (stakeholders). Particularly significant is the application of the principle of double materiality, i.e. the environmental and social materiality of the organization (from the inside to the outside), which results from the impact of the organization’s economic and financial activities on ESG factors and financial materiality (from the outside to the inside), which is the impact of ESG factors on the company’s economic and financial activities.

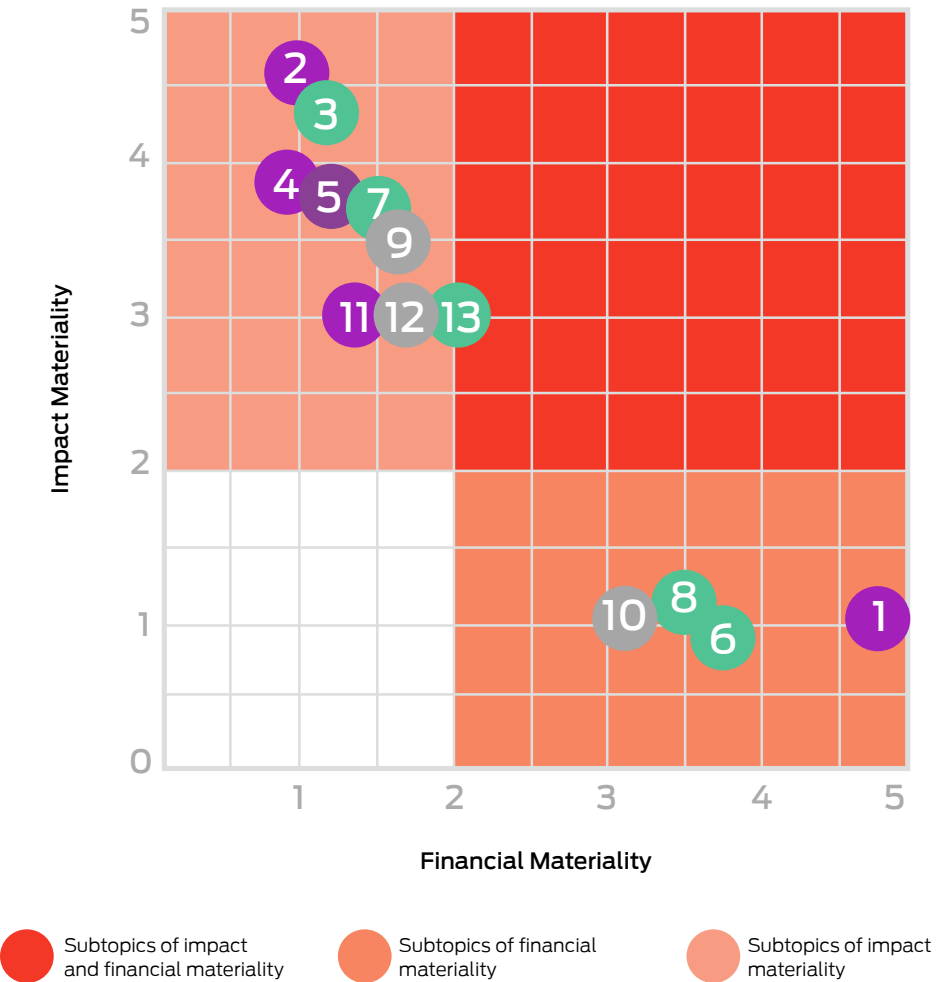
The assessment of materiality in Telekom Srbija is based on a detailed analysis of relevant topics, taking into account data from the existing social responsibility strategy, the Sustainability Report for 2023, as well as documentation on the engagement of interested parties and the selection of material topics for ESG reporting. The comparison process was carried out in relation to leading companies in the industry such as United Group, A1, British Telecom, Deutsche Telekom, Vodafone, Yettel, Türk Telekom and Telefónica, and also to the relevant reporting frameworks – GRI standards, including supplements specific to the telecommunications sector and SASB standards. This approach ensures compliance with the highest international standards and best practices.

Based on these analyses, a materiality matrix was created that identifies and ranks key sustainability topics relevant to the telecommunications industry and specifically for Telekom Srbija.

The materiality analysis was further performed based on best practice and in accordance with the European Sustainability Reporting Standards (ESRS) and related Implementation Guidelines (IG). Although this report complies with GRI standards, the dual materiality approach adheres to the CSRD methodology. It provides a thorough identification of impacts, risks and opportunities (IRO) from both an impact and financial perspective. Thanks to the interoperability of ESRS and GRI, this approach allows consistent translation of results and identification of GRI topics that matter.

Identified topics were then mapped according to ESRS standards, thereby identifying the corresponding risks and opportunities. This step provides a basic framework for further assessment of dual materiality, which allows for a balanced view of the impact and financial aspects of ESG factors.

Double Materiality Matrix



- Material topics
- S4
 - S1
 - E5
 - E1
 - G1
 - E4
- Non-material topics
- E2
 - E3
 - S2
 - S3
- S4 Informatin influence on consumers and/or end users
 - S1 Working conditions
 - E5 Waste
 - S4 Personal safety of consumers and/or end users
 - S4 Social inclusion of consumers and/or end users
 - E1 Energy
 - E1 Mitigation of climate change
 - E5 Resource inflow, including use of resources
 - G1 Vendor relation management, including the payment practices
 - G1 Corruption and bribery
 - S1 Equal treatment and opportunities for all
 - G1 Protection of whistleblowers
 - E4 Influence on the condition of species (biodiversity)

Telekom Srbija Group, through the delegated ESG team, will periodically conduct a materiality analysis, in order to ensure the constant relevance of the ESG report and its compliance with the expectations of all interested parties. This dynamic approach enables timely recognition of changes in the business environment and stakeholder needs, which further strengthens the credibility and efficiency of the sustainability reporting process.

Priority topics of sustainable business

Environmental (E)

This strategic pillar integrates the following materially significant topics:

- Mitigation of climate change
- Energy efficiency and use of energy from renewable sources
- Support for the circular economy (waste management and resources)
- Preservation of biodiversity and ecosystems

The table shows the connection of topics with ESRS¹ and GRI² standards:

ESRS	Topic	Subtopic	Sub-subtopic	GRI	Topic category
E1	Climate change	Mitigation of climate change	Mitigation of climate change	GRI 305	Emissions
		Energy	Energy	GRI 302	Energy
E4	Biodiversity and ecosystems	Impacts on the status of species	Species population size	GRI 304	Biodiversity
E5	Circular economy	Waste	Waste	GRI 306	Waste

Society – Social (S)

This strategic pillar integrates the following materially significant topics:

- Employee health and safety
- Employee welfare
- Diversity, inclusion and equality
- Support for the development of the local community
- Providing access to telecommunications products and services
- Responsibility towards users

The table shows the connection of topics with ESRS and GRI standards:

ESRS	Topic	Subtopic	Sub-subtopic	GRI	Topic categories
S1	Own workforce	Working conditions	Balance between work and private life	GRI 401	Employment
		Working conditions	Health and safety	GRI 403	Occupational health and safety
		Equal treatment and equal opportunities	Gender equality and equal pay for work of equal value	GRI 405	Diversity and equal opportunities
S4	Consumers and end users	Social inclusion of consumers and/or end users	Access to products and services	GRI 413	Local community
				GRI Sector Specific	Access to products and services
		Personal safety of consumers and/or end users	Health and safety	GRI 416	Consumer safety
		Impacts related to information for consumers and/or end users	Privacy	GRI 418	Consumer privacy

Corporate governance – Governance (G)

This strategic pillar integrates the following materially significant topics:

- Compliance with legal regulations and standards
- Ethical business behavior (anti-corruption, transparency and fair competition)
- Responsible and sustainable procurement and supply chains

The table shows the connection of topics with ESRS and GRI standards:

ESRS	Topic	Subtopic	Sub-subtopic	GRI	Topic categories
G1	Business conduct	Supplier relationship management, including payment practices	Supplier relationship management, including payment practices	GRI 204	Procurement practices
				GRI 308	Assessment of suppliers' environmental impact
				GRI 414	Supplier social assessment
		Corruption and bribery	Prevention and detection, including training	GRI 205	Anti-corruption
		Whistleblower protection	Whistleblower protection	GRI 419	Socioeconomic adjustment

The strategic framework enables Telekom Srbija Group members to consistently implement defined ESG initiatives, regularly monitoring and improving their performance in the area of the environment, social responsibility and corporate governance. This ensures compliance of all activities with the set goals and values of the Company, as well as with the expectations of interested parties.

¹ European Sustainability Reporting Standards – ESRS <https://www.unepfi.org/impact/interoperability/european-sustainability-reporting-standards-esrs/>
² Global Reporting Initiative – GRI <https://www.globalreporting.org/>

The connection of material topics with the goals of sustainable development of the 2030 Agenda



Environment

Goal: To improve ecological sustainability through responsible management of resources, reducing the negative impact on the environment and strengthening the resilience of ecosystems in order to preserve value for future generations.

- Mitigation of climate change
- Energy efficiency and use of energy from renewable sources



- Support for the circular economy (waste management and resources)
- Preservation of biodiversity and ecosystems



Society

Goal: To improve social responsibility through the creation of a safe, inclusive and stimulating work environment, providing support to employees and the local community, and strengthening the principle of equality, talent development and social inclusion of users.

- Employee health and safety
- Employee welfare
- Diversity, inclusion and equality
- Support for the development of the local community



- Providing access to telecommunications products and services
- Responsibility towards users



Governance

Goal: To strengthen corporate governance through transparency, accountability and compliance with laws and regulations and international standards, with constant improvement of business processes.

- Compliance with legal regulations and standards
- Ethical business behavior (anti-corruption, transparency and fair competition)
- Responsible and sustainable procurement and supply chains



3.

ENVIRONMENT: OUR ECOLOGICAL FOOTPRINT



3. Environment: Our ecological footprint

3.1. Environmental management as the basis of ESG responsibility of Telekom Srbija

At a time when the ecological crisis seriously threatens biodiversity and the very survival of life on the planet, Telekom Srbija recognizes that ecological management represents the most complex segment of ESG responsibility, requiring the cooperation and engagement of experts of various profiles, whose knowledge and experience go beyond the limits of usual business activities. Aware of the scope of environmental regulations and the complexity of their application, the company consistently operates in accordance with all applicable laws, regulatory requirements and industry standards in the field of environmental protection, confirming its commitment to sustainable development and responsible business operations.

For Telekom Srbija, commitment to sustainability does not only mean compliance with legislation, but also a proactive approach to environmental protection, based on systematic engagement in various fields of environmental action. This commitment is reflected in significant investments in financial, technical and human resources, but also in strategic approaches that directly contribute to the green transition, the preservation of natural resources and the construction of a more sustainable and just society.

Telekom Srbija remains committed to the continuous improvement of environmental performance through efficient management of resources, reduction of the carbon footprint, optimization of energy consumption and application of circular economy principles, contributing to the global Sustainable Development Goals from the United Nations 2030 Agenda and strengthening the resilience of the communities in which it operates.

Environmental management system according to the requirements of the ISO 14001:2015 standard

At the company level, the basis of environmental management in Telekom Srbija Group is a certified environmental management system according to the requirements of the ISO 14001:2015 standard, with the involvement of a multidisciplinary team composed of representatives from various relevant organizational units. This team continuously works to reduce negative impacts on the environment, while at the same time improving positive environmental performance.

One of the most significant achievements during the past year was the implementation of the climate change risk assessment and the definition of measures for their control, whereby this segment was also integrated into the company's Environmental Policy. Reducing the impact on climate change, along with efficient energy and waste management, are key pillars of sustainable environmental management within the company.

In addition to impact management, the environmental team focuses on identifying risks and opportunities, thus providing a comprehensive overview of key internal and external factors relevant to environmental management. This approach enables reducing environmental threats to a minimum, predicting possible scenarios and taking preventive measures in a timely manner.

Through a systematic process of identification and evaluation of environmental material topics, fully aligned with international standards and specificities of the telecommunications sector, Telekom Srbija Group has identified four material environmental topics that represent priorities for strategic action.



3.2. Emissions

Climate change represents one of the most significant global challenges with long-term consequences for natural systems, infrastructure, economic stability and human health. The increase in global temperature, increasingly frequent extreme weather events and rising sea levels require responsible and strategic responses from all social players, including the business sector.

In order to actively contribute to global and national efforts to reduce greenhouse gas (GHG) emissions, the company has integrated GHG accounting into its business practice – a tool that enables the systematic identification, quantification and monitoring of emissions from business activities. This approach allows directing resources to key areas for improvement and setting targets for reducing emissions, in accordance with the GHG Protocol and international standards.

As a large telecommunications operator with a developed infrastructure, the company recognizes its potential impact on emissions, especially through energy consumption. Therefore, a monitoring system has been implemented that includes:

- Scope 1 : direct emissions from own sources.
- Scope 2 : indirect emissions from the consumption of purchased electrical and thermal energy.
- Scope 3 emissions, which include a wider value chain – from suppliers to end users, is planned.

By decision of the corporate bodies, this structured approach enables:

- identification of key emission sources,
- defining priority areas for action,
- measuring the effectiveness of implemented measures.

The goal is clear: reducing the carbon footprint and actively contributing to global climate goals, while simultaneously strengthening business resilience and competitiveness.

The calculation methodology is presented in a special report on GHG emissions for 2024.

Emission of greenhouse gases (GHG)

Categories	2023 (tCO ₂ e)	2024 (tCO ₂ e)	Trend
Scope 1	12.751	12.554	↓
Stationary sources	1.764	1.653	↓
Mobile sources	7.296	7.810	↑
Fugitive sources	3.691	3.091	↓
Scope 2 (Market-based method)	45.068	54.191	↑
Electricity	183.500	184.600	↑
Electricity (Location-based)	40.533	50.890	↑
Heat energy	4.535	3.301	↓
Scope 3	/	/	-
Total GHG emissions (market-based method)	57.819	66.745	↑

Intensity and GHG emissions

Intensity	Unit	2023	2024	Trend
GHG emission intensity Total GHG emissions – achieved traffic in mobile network	tCO ₂ eq/TB	0,21	0,19	↓
Economic GHG emission intensity Total GHG emissions – operating profit – EBIT	tCO ₂ eq/EUR	0,000317	0,000215	↓
GHG emission intensity per user Total GHG emissions – number of users	tCO ₂ eq/User	0,00704	0,00819 ²	↑

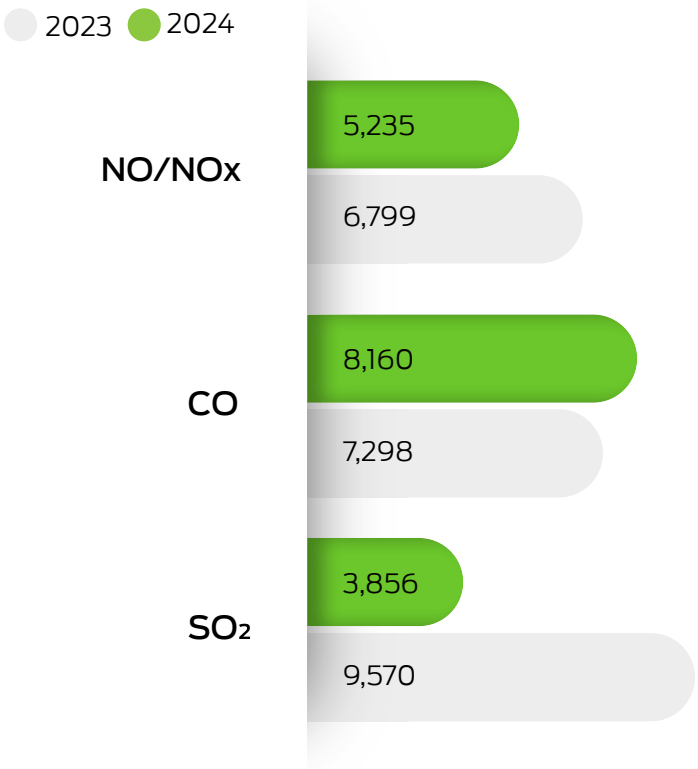
Emission of polluting substances – gases from boiler houses

One of the sources of environmental pollution within Telekom Srbija’s operations are the boiler rooms that are used for heating certain business buildings during the winter period. Although the number of these boiler rooms is small, the company is aware of the importance of their impact on air quality in the local communities where it operates.

In order to reduce this impact, Telekom Srbija rationally manages the consumption of thermal energy for heating business premises, carries out preventive seasonal maintenance of thermotechnical capacities and installations, as well as regular measurements of emissions of polluting gases, which are regularly reported to competent institutions.

In accordance with the protocols on cooperation with the lessors of space used by Telekom Srbija, pollutant emissions are monitored for a total of 16 boiler rooms, with monitoring and documentation of measured values in accordance with current regulations and environmental protection standards.

Measured emission of polluting substances – gases (kg)

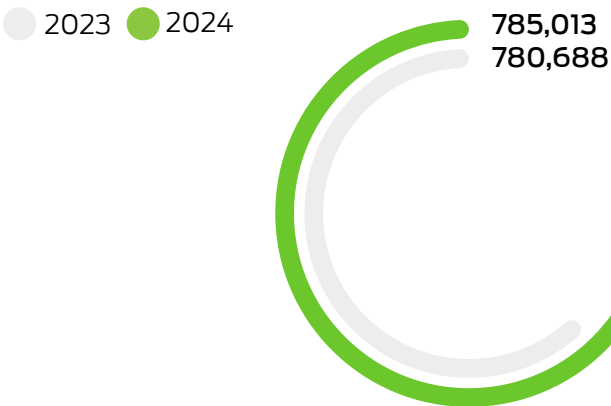


3.3. Energy efficiency and use of energy from renewable sources

In the context of sustainability, energy management at Telekom Srbija takes place in two complementary directions. The first involves reducing total energy consumption while simultaneously increasing the volume and quality of services provided, while the second focuses on increasing energy efficiency and using energy from renewable sources.

This approach allows the company to contribute to the reduction of greenhouse gas emissions, improve operational efficiency and ensure long-term business sustainability, while following the efforts of national and global energy transition policies and climate goals.

Total energy consumed (GJ)³



Renewable energy sources

The transition to renewable energy sources represents an essential step towards sustainable business and reducing Telekom Srbija’s carbon footprint. The company is committed to increasing the share of energy from renewable sources in its energy mix, which directly contributes to mitigating climate change and achieving sustainable development goals.

In 2024, 49.4% of the total energy consumed came from renewable sources, where the energy was dominantly provided by the purchase of “green energy” from the Serbian power utility Elektroprivreda Srbija, produced from hydropower sources, as well as from the company’s own solar capacities.

Energy intensity

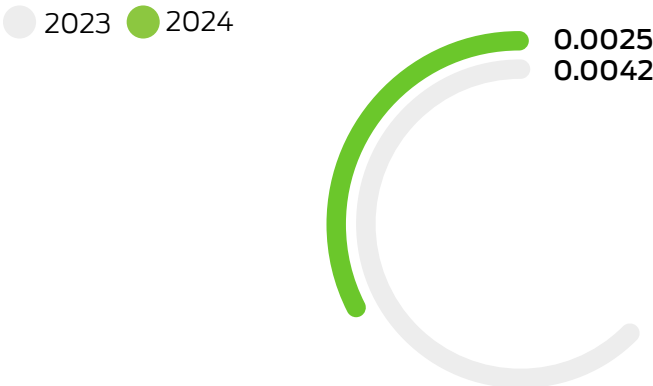
In order to monitor progress in achieving its energy goals, Telekom Srbija uses two key indicators of energy efficiency: the reduction of economic energy intensity – the ratio of total energy consumed and operating profit (EBIT), as well as energy intensity – the ratio of total energy consumed and the traffic generated in the mobile network (GJ/Tb). These indicators enable efficient management of the energy footprint, while preserving financial stability and profitability.

The company carries out a number of activities that include:

- implementation of energy-efficient technologies in network infrastructure and data centers,
- modernization of equipment with energy-efficient solutions,
- smart consumption management in technical facilities and administrative spaces,
- optimization of the operating mode of network equipment in periods of lower load,
- improvement of operational processes through the integration of digital technologies and automation.

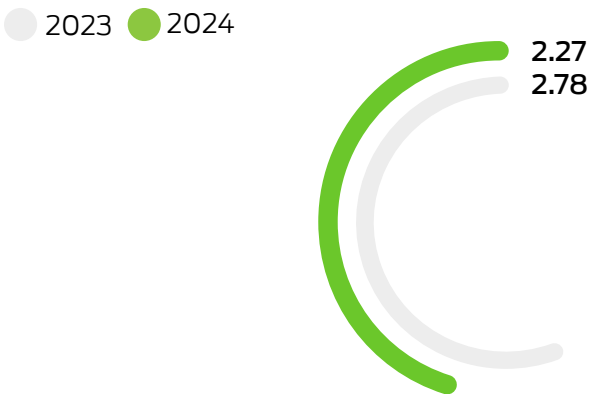
This integrated approach enables the company to constantly improve energy efficiency, reduce its carbon footprint and contribute to sustainable business operations.

Total energy consumed in relation to business income – EBITD (GJ/EUR)



³ The source of data for energy conversion factors is the “Rulebook on the Factors for Converting Final Energy into Primary Energy and on Carbon Dioxide Emission Factors” (“Official Gazette of the Republic of Serbia”, No. 111/2021 of November 25, 2021, which entered into force on December 3, 2021).

In the purchase of consumed energy / generated traffic in mobile to the grid (GJ/Tb)



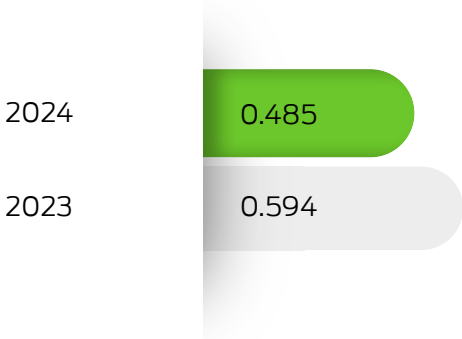
Electricity

Electricity consumption represents a significant aspect of Telekom Srbija’s business, and its total amount depends on the strategic expansion of the telecommunications network, the growth of the number of devices and the variety of services that the company provides. In the conditions of continuous increase in network capacity and growing demands of users, reducing electricity consumption and greenhouse gas emissions is a challenging but important goal.

The company strives to achieve these goals through the implementation of energy efficiency measures, partial installation of its own renewable energy sources, as well as the purchase of “green energy” from Elektroprivreda Srbije, which originates from hydropower plants.

In order to optimize costs and achieve the goals of sustainable development, Telekom Srbija constantly monitors key indicators of the intensity of energy consumption:

Total consumed electrical energy in relation to the volume of traffic (provided service) in the mobile network (KWh/Gb)

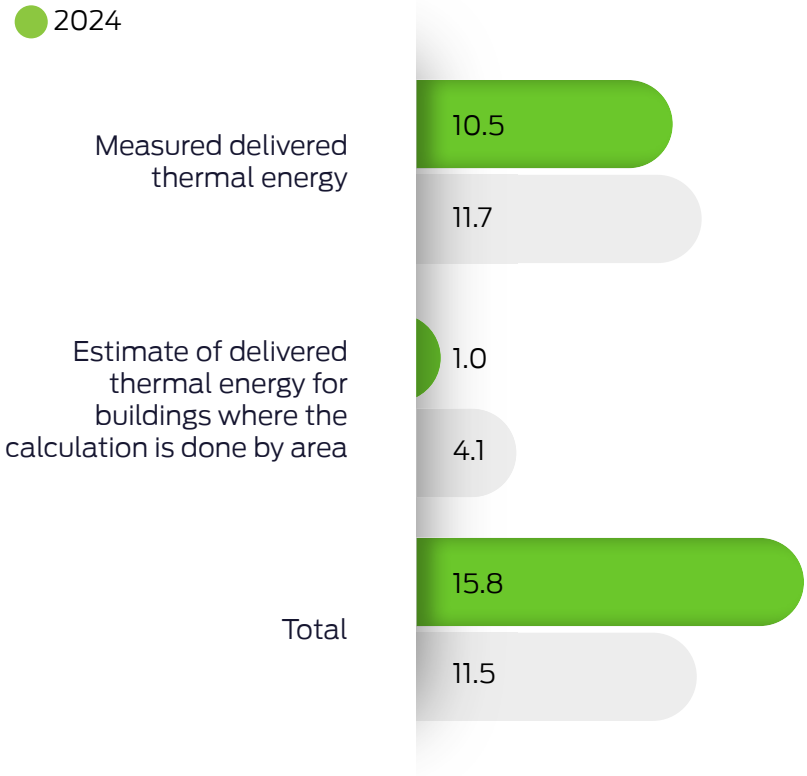


Heating

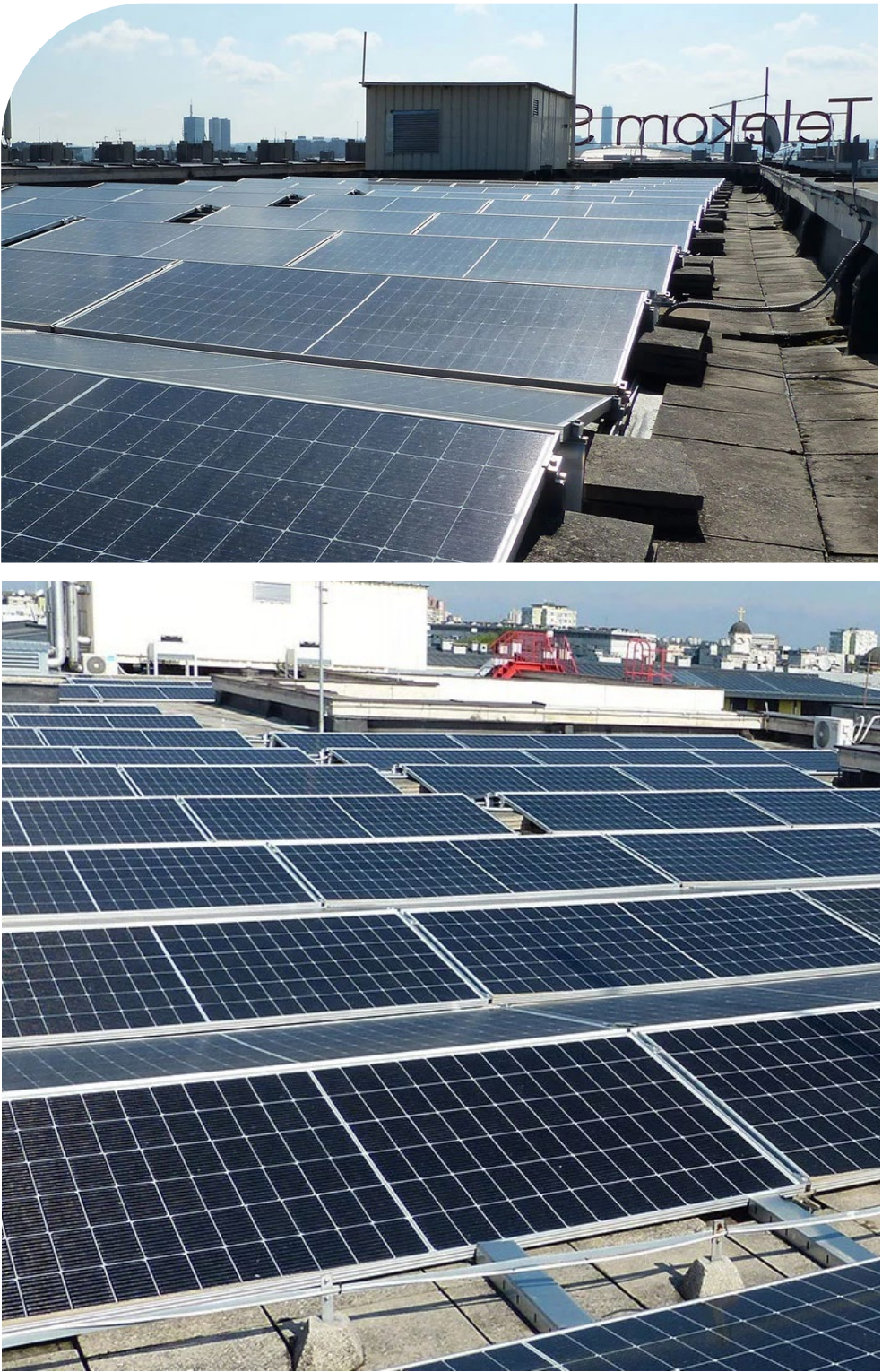
Most of Telekom Srbija’s business facilities are connected to the district heating system. Data on the measured delivered thermal energy are available for most of the buildings, while for about 40 buildings, the calculation is based on the heating surface. A detailed assessment of thermal energy consumption was made for these facilities, which enables more precise monitoring and management of energy-relevant resources in order to increase efficiency and reduce the impact on the environment.

Thermal energy consumption for heating (GWh)

● 2023 ● 2024



Since the company has not yet established a system for assessing energy consumption and greenhouse gas emissions outside of its own operations, Scope data 3 shows are currently unavailable. Telekom Srbija recognizes the importance of including these indirect emissions in the overall ESG strategy and plans to establish appropriate procedures for their future monitoring and reporting.



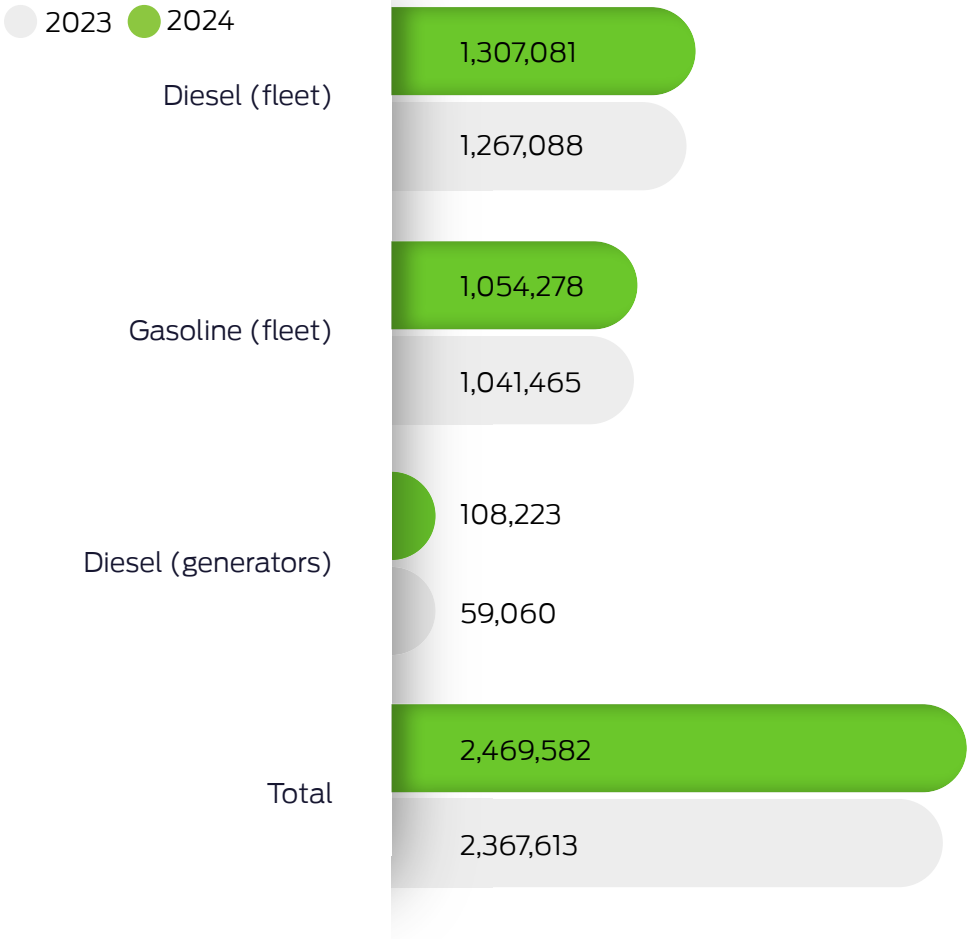
Fuel for the car fleet and power generators

Telekom Srbija uses diesel and motor gasoline for the needs of its own vehicle fleet, as well as for the operation of power generators that provide backup power in cases of interruption of the electricity supply from the grid. This practice is necessary in order to ensure the continuity of service provision to users, especially in emergency situations and power outages.

The company consistently works to improve energy efficiency and optimize the use of these energy sources through rationalization of consumption, regular maintenance of the car fleet and power generators, as well as planning alternative solutions in order to reduce greenhouse gas emissions. These steps are part of the company's broader ESG strategy aimed at reducing the carbon footprint and increasing the resilience of the service delivery infrastructure.

Fuel consumption (l)

2023 2024



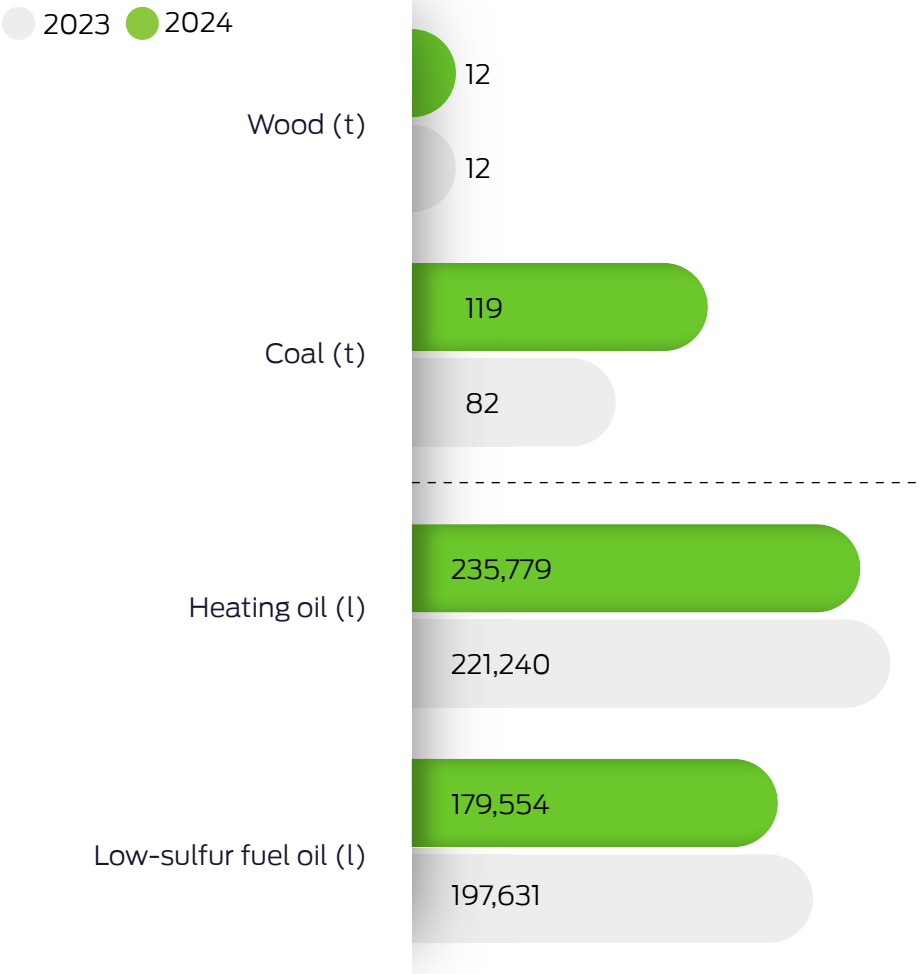
Heating fuels

Most of Telekom Srbija's business facilities are connected to the remote heating system. For the largest number of facilities, data on the measured delivered thermal energy is provided, while for approximately 40 facilities, the calculation is based on the heating surface, for which consumption was estimated in order to ensure more precise monitoring and management of energy resources.

In addition to the remote heating system, other energy sources are also used for heating a smaller number of business premises, depending on the location and availability of energy sources. Managing energy consumption for heating is part of the company's wider efforts in the area of energy efficiency and carbon footprint reduction, in line with the ESG strategy.

Consumption for heating

2023 2024



3.4 . Support for the circular economy (waste management and resources)

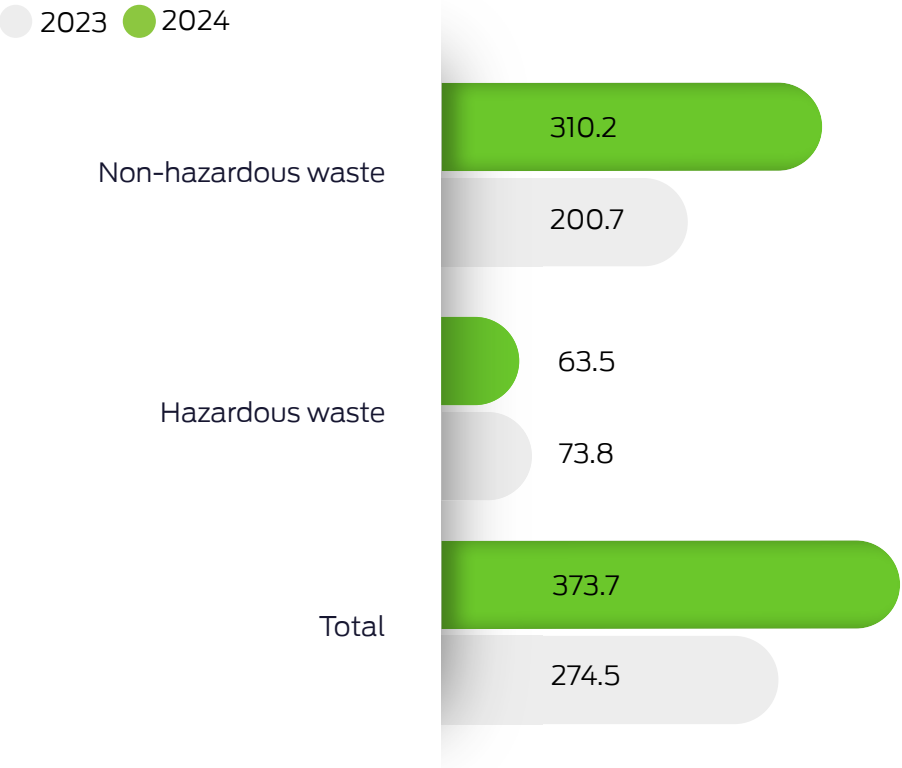
The circular economy is a regenerative economic model that focuses on reducing waste, maximizing the use of resources and extending the life of products. Although circular principles are still not widely integrated into Telekom Srbija’s business processes, the company implements certain measures that encourage the application of this model, with a focus on efficient waste management and reduction of resource consumption.

During its business activities, Telekom Srbija generates several types of waste at different locations, whereby waste management is carried out in accordance with the Law on Waste Management and related regulations, as well as the company’s Waste Management Plan. Telekom Srbija regularly reports to the Environmental Protection Agency of the Ministry of Environmental Protection about the types and quantities of waste generated and handed over to authorized operators.

In 2024, the company generated a total of 14 types of waste, of which 5 were classified as hazardous and 9 as non-hazardous waste. Most of the hazardous waste is generated during the replacement of mobile switchboards, parts of base stations, antennas, transmitters, lead cables, accumulator batteries and waste fuel.

All generated waste is handed over to authorized operators who have appropriate permits for waste disposal in accordance with its nature. Depending on the type of waste and the availability of technologies for its treatment, the waste is recycled or disposed of in other appropriate ways, whereby Telekom Srbija actively contributes to the conservation of resources, the reduction of negative impacts on the environment and the achievement of sustainable development goals.

Amount of waste generated (t)



Collection of old mobile phones from users

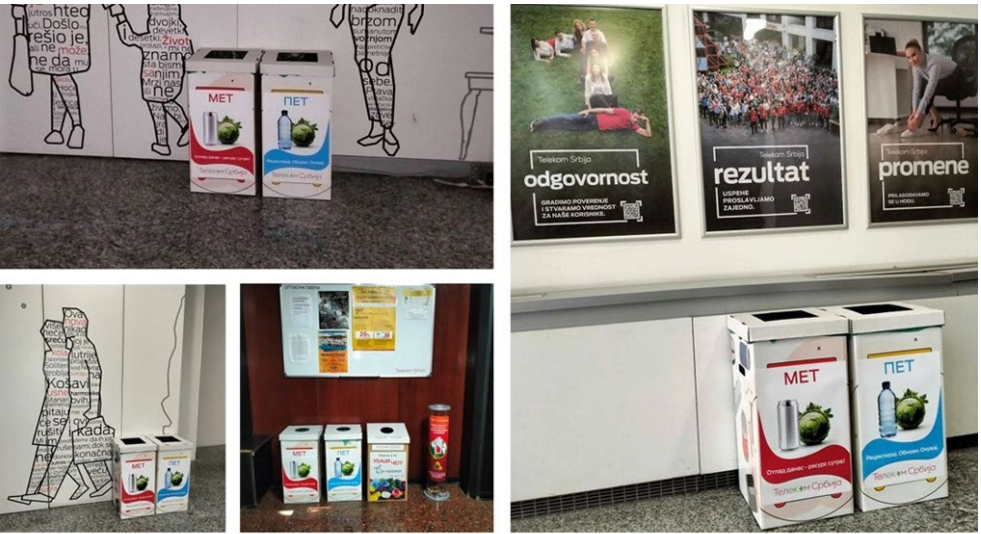
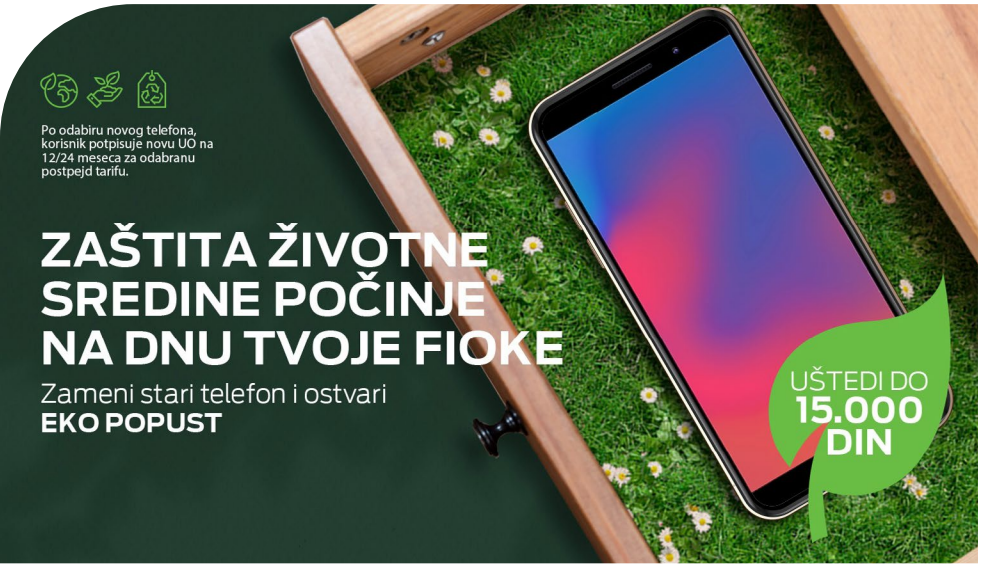
As part of the implementation of the Extended Producer Responsibility principle, Telekom Srbija strives to manage the entire life cycle of its products, including the collection, repair, recycling and disposal of electronic devices.

Although the working life of mobile telephones is estimated at five to seven years, practice shows that most users do not use the devices for more than 18 months to two years, switching to more modern models. This trend leads to old devices often being left behind in households or ending up in inappropriate places, creating an environmental and resource challenge.

In order to actively contribute to the principles of the circular economy, Telekom Srbija launched the “Old for New” program in 2024, which allows users to hand in their old device while purchasing a new mobile phone with benefits and discounts. The program is organized in all branches of Telekom Srbija, where employees at sales points are trained to implement it, thus providing an accessible network for collecting electronic devices in a safe and responsible manner throughout Serbia.

Collected devices are placed in specially designed boxes in branches, after which they are picked up by a partner service authorized for further treatment. This process contributes to the reduction of risks to the environment and human health, the conservation of resources and the improvement of sustainability within the broader ESG approach of the company.

From June to December 2024, 138,000 devices were collected, and Telekom Srbija continues to implement this program in the following years, with the goal of collecting at least 300,000 devices per year, so that by 2029 a total of 1,500,000 devices will be collected.



Reducing paper consumption

Telekom Srbija recognizes the importance of reducing paper consumption as an important step towards sustainable business and conservation of natural resources. The company regularly monitors paper consumption in order to identify areas for optimization and improvement, with the aim of reducing the impact on the use of wood biomass in its production.

The company focuses on reducing paper consumption through several strategic activities, including:

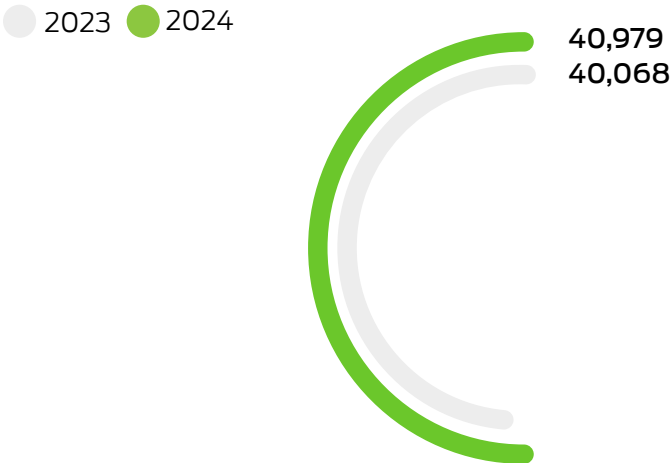
- optimization of business processes in order to reduce the need for physical documents,
- promoting digital platforms for document management, enabling employees to access, share and archive documents electronically,
- limiting the number of printed copies, promoting the use of digital versions of documents and double-sided printing,
- using e-mail, digital signatures and online meetings instead of traditional physical meetings,
- raising employees' awareness of the importance of reducing paper consumption and practical ways to achieve it.

Although during the previous year, due to the acquisition of several companies and the increase in the number of users, there was a slight increase in the consumption of printing paper, Telekom Srbija remains committed to the goal of reducing this form of consumption.

In 2025, the implementation of a qualified electronic stamp is planned, which is a prerequisite for the introduction of paperless business and the full functionality of the e-archive, which will enable a significant reduction in paper consumption in the company's business processes, while contributing to the preservation of natural resources and reducing the carbon footprint.



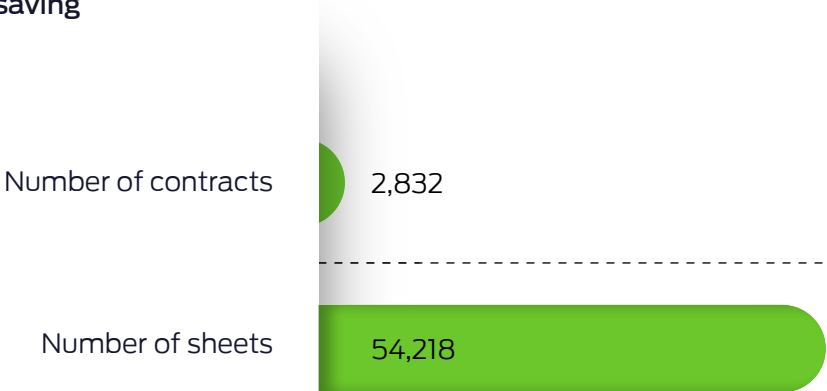
Paper consumption (Ream = 500 sheets)



During 2024, Telekom Srbija collected and handed over 157.8 tons of paper for recycling, thereby continuing to contribute to the reduction of waste and the preservation of natural resources in accordance with the principles of the circular economy and ESG commitments of the company.

Additionally, the digitalization of the contracting process in business sales, which was introduced in 2024, resulted in saving 54,218 sheets of paper, taking into account that each contract document contains multiple copies of documents for both contracting parties. This result confirms the company's contribution to the reduction of paper consumption through the digital transformation of business processes.

Paper saving



Increasing the number of e-invoice users

There is no doubt that the digitization of business is a key driver of all performances of the company, including significantly reducing the environmental footprint and encouraging sustainable practices. In accordance with the principles of the circular economy and ESG standards, Telekom Srbija actively strives to reduce the use of paper bills and increase the number of users who switch to electronic bills (e-bills).

The use of e-invoices provides multiple environmental and economic benefits, among which are:

- Savings in paper consumption – reducing the use of paper directly reduces the need for deforestation, saves energy and water, as well as the raw materials necessary for printing.
- Reduction of transport and delivery costs – switching to e-invoices eliminates all costs and negative impacts associated with the delivery of paper invoices, including fuel consumption and carbon dioxide emissions.
- Reduction of waste – electronic invoices significantly contribute to reducing the amount of waste resulting from the use and disposal of paper documents.
- At the same time, users are provided with a faster, simpler and safer way to manage their finances, which further improves the user experience.

In 2024, the number of e-account users reached 655,469, while the strategic goal was set at 1,500,000 users by 2029. With this, Telekom Srbija will significantly contribute to the reduction of paper consumption and the achievement of visible environmental and social benefits.



3.5. Preservation of biodiversity and ecosystems

Although the telecommunications industry has not been identified as a sector with a high negative impact on biodiversity, Telekom Srbija recognizes the extreme importance of preserving natural ecosystems and protecting the endangered species. Accordingly, the company constantly implements and improves measures that contribute to the preservation of biodiversity within its infrastructural activities.

Through efficient use of its resources, Telekom Srbija actively supports other entities involved in the environmental protection system. It is important to note that the company does not own major facilities within the protected natural resources or biodiversity centers, which further minimizes the potential impact on sensitive ecosystems.

Identification of possible impacts on biodiversity

In accordance with the ESG principles, Telekom Srbija consistently applies the best practices for minimizing the impact of its activities on the environment. This includes responsible site management, the use of environmentally friendly materials and the implementation of post-construction remedial measures. The company particularly carefully assesses the possible environmental impacts of its activities, especially in the sensitive areas of importance for biodiversity.

In all phases of planning and implementation of infrastructure projects, Telekom Srbija implements procedures for the identification and protection of endangered animal and plant species, fully harmonizing its activities with the current legislation and the relevant international standards.

For projects for which an environmental impact assessment is legally required, the company cooperates with the competent government authorities to ensure compliance and transparency. When it comes to infrastructure facilities for mobile telephony in the protected areas, Telekom Srbija strictly respects the decisions of competent public administration bodies that define special requirements for nature protection, including specific measures to preserve the ecosystem.

In this way, Telekom Srbija actively contributes to the preservation of the natural balance, striving to minimize the negative environmental impacts of its infrastructure projects.

Biodiversity monitoring

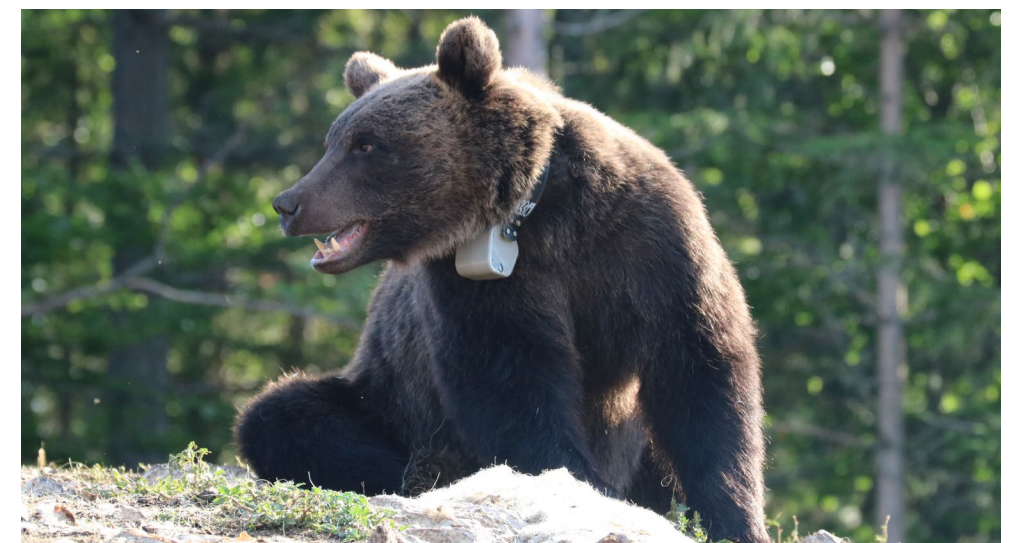
Within the business activities of Telekom Srbija, a clear procedure has been established that mandates that, if an employee notices the possibility of endangering a strictly protected or protected species of animal during field work or any other work, he should immediately notify an expert within the company. He/she then identifies the species and, depending on the situation, informs the competent institutions in order to take adequate protective measures.

Detailed records are kept of all contacts with the protected animal species, including measures taken to resolve the specific situation on the ground. These measures include, if necessary, interruption of work, assessment of the situation, notification of competent authorities and implementation of steps that harmonize safety at work with the preservation of biodiversity and regular business activities.

During 2024, five nests of the strictly protected species of white stork (*Ciconia ciconia*) were identified on the company's telecommunication poles, which were not safe, because they posed a risk to the transmission network and made it difficult for workers to intervene, while there was also a threat to the birds themselves. In accordance with the objectives of preserving biodiversity and safety at work, measures were taken to move the nests to suitable, safe platforms. All activities were carried out in accordance with the Law on Nature Protection and according to the requirements defined by the Provincial Institute for Nature Protection. The relocation took place during the winter period, while the white storks were hibernating.

Monitoring carried out in May confirmed that the birds occupied all five new nesting platforms. This successfully achieved the goals of providing unhindered service to users, while simultaneously protecting this strictly protected species. Such procedures will be carried out in the future as necessary, as an integral part of the practice of responsible biodiversity management within the company's operations.

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



4.

SOCIAL: TOGETHER WE BUILD A SUSTAINABLE SOCIETY

4. Social: Together we build a sustainable society

4.1. People in focus

At Telekom Srbija, people are at the center of everything that the company does. Human capital management is not only an operational function but a strategic priority and the key to success in the world of rapid changes and challenges brought by the modern telecommunications market.

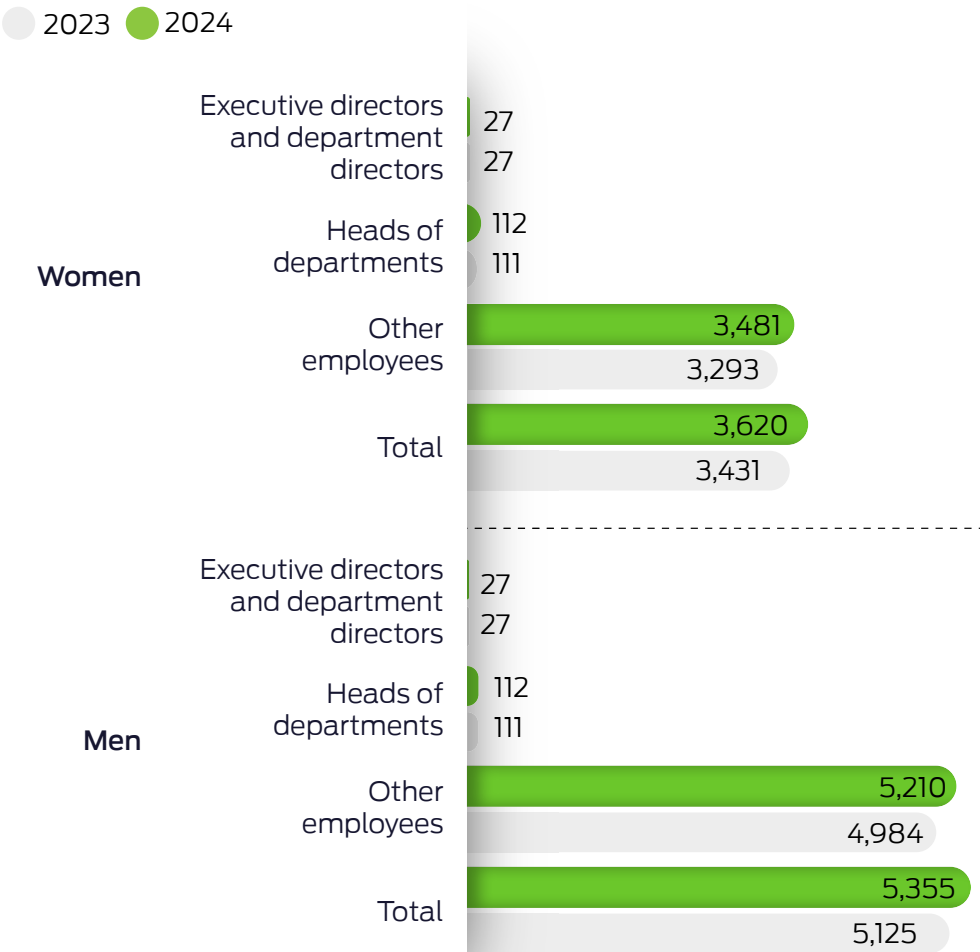
Employees are not just part of the system – they are the engine that drives it. The commitment, creativity and talent of the employees are the foundation of the company’s competitive advantage. That is why Telekom Srbija continuously builds a work environment that is inclusive, motivating and fair, enabling every employee to grow, develop and realize their full potential. The approach to human capital management is based on the principles of equal opportunities, respect for diversity and constant talent development.

In accordance with the identified substantive themes, clear goals and metrics are set to monitor progress in areas such as diversity, inclusion, engagement and employee well-being. Policies are regularly adjusted to keep the company one step ahead and provide employees with the best possible work experience. When it invests in people, Telekom Srbija invests in the future.



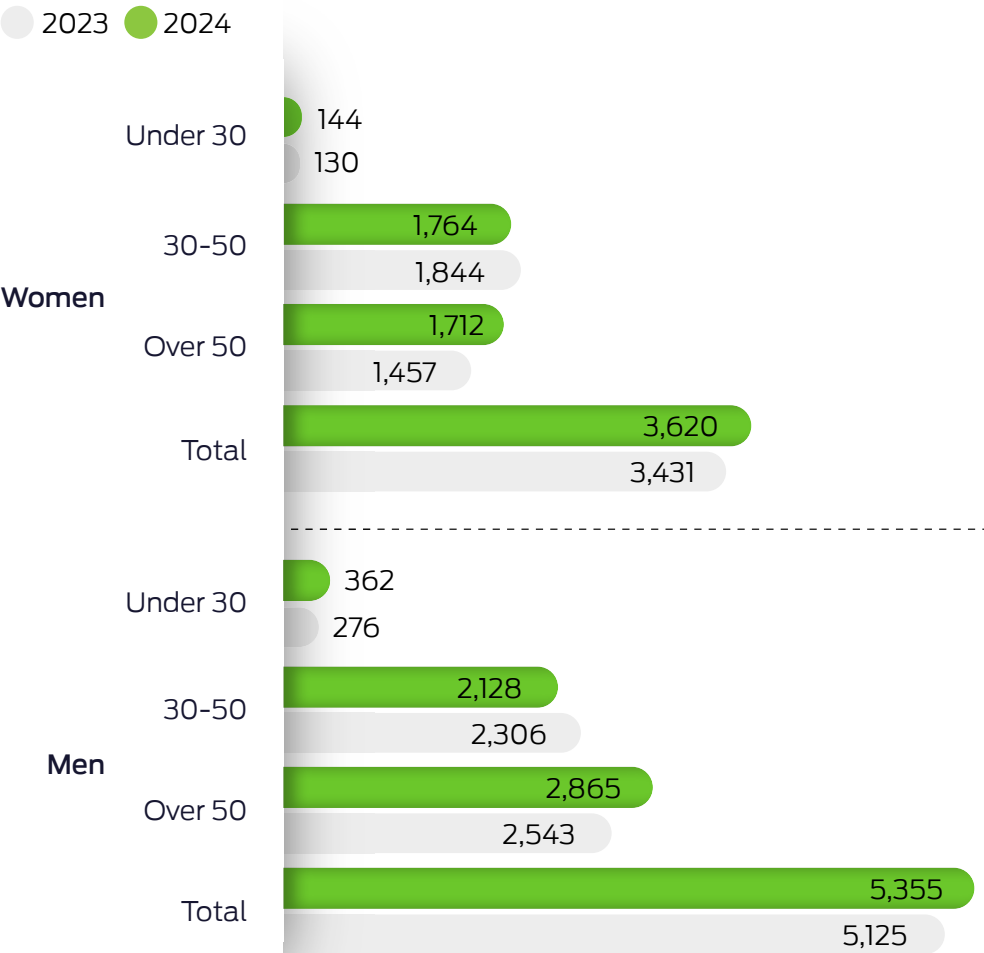
At the end of 2024, as of December 31, the company with 8,975 employees represented a strong and stable system driven by people – experts, innovators and professionals dedicated to the common goal of the company remaining the first choice on the market. The knowledge and energy of the employees translate directly into results that have placed Telekom Srbija at the very top of the regional telecommunications industry for years.

Job category



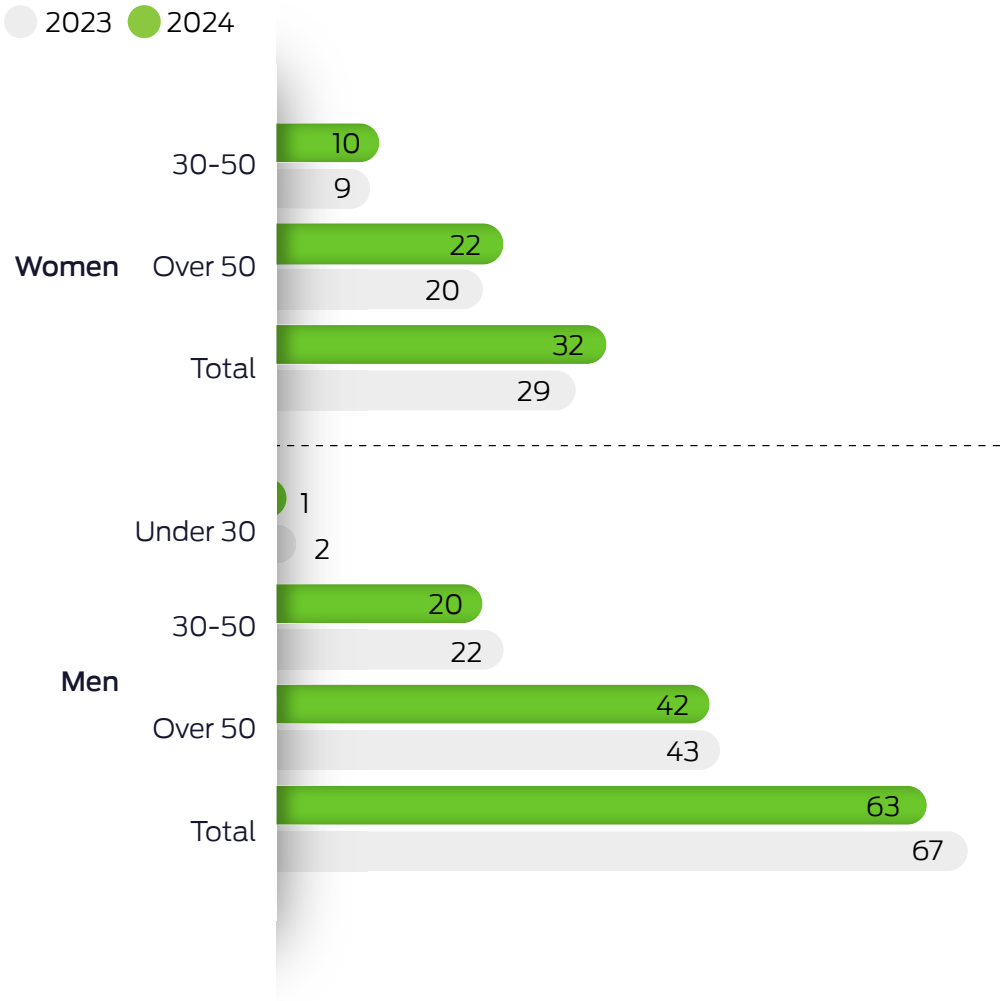
Employee structure by age and gender in Telekom Srbija, presented with comparative data for 2023 and 2024, shows moderate growth in the total number of employees, while maintaining a balanced age structure and continuity in the representation of all age groups.

Employees in fixed and indefinite employment



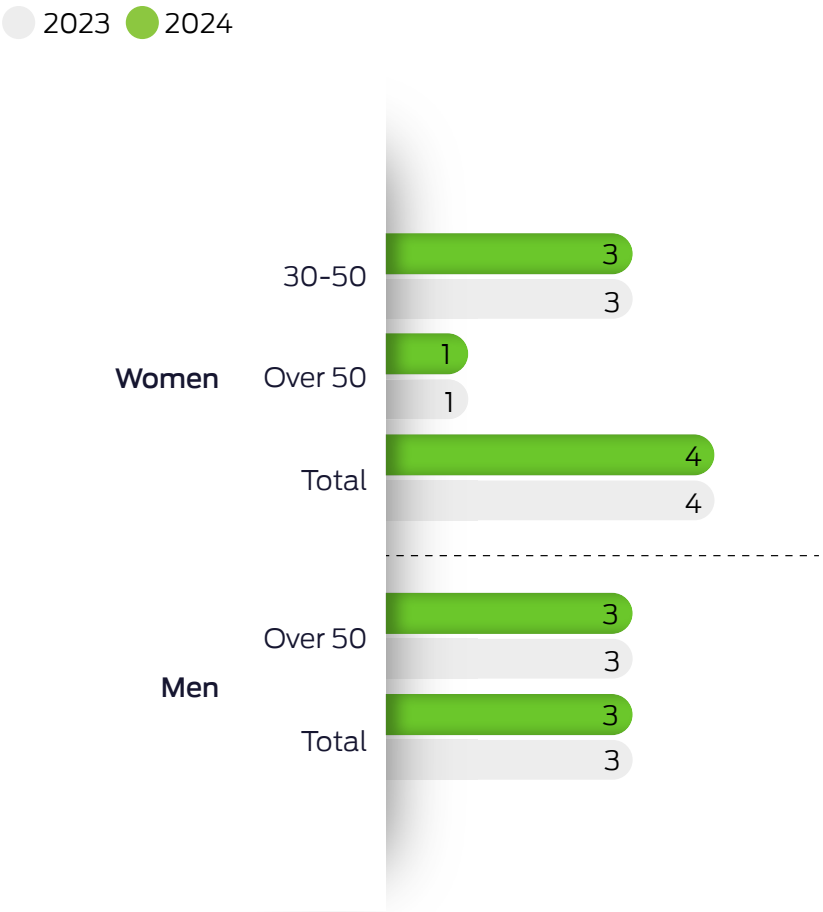
According to the age and gender structure of management in 2023 and 2024, a stable number of managers was observed in the mentioned period, with a slight increase in the number of women, especially in the most experienced age group over 50, which indicates progress towards balanced gender representation in management positions.

Age structure of management



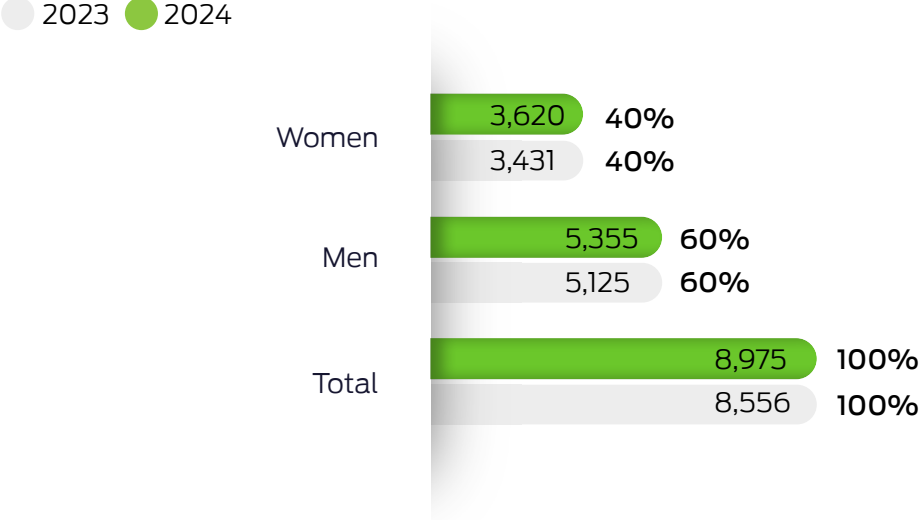
The age and gender structure of the members of top management in 2023 and 2024 remained unchanged with equal gender participation, which confirms stability in terms of gender balance at the highest level of management.

Age structure of top management



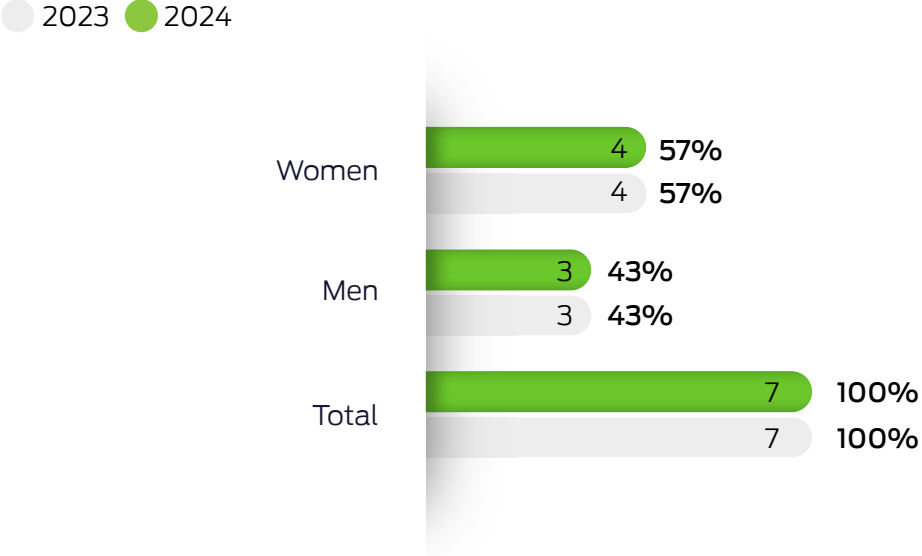
Telekom Srbija's commitment to an inclusive and diverse work environment is reflected in the balanced gender structure of employees in 2023 and 2024. The share of women in the total number of employees remained at 40%, while men made up 60% of the workforce in both years.

Employee structure by gender



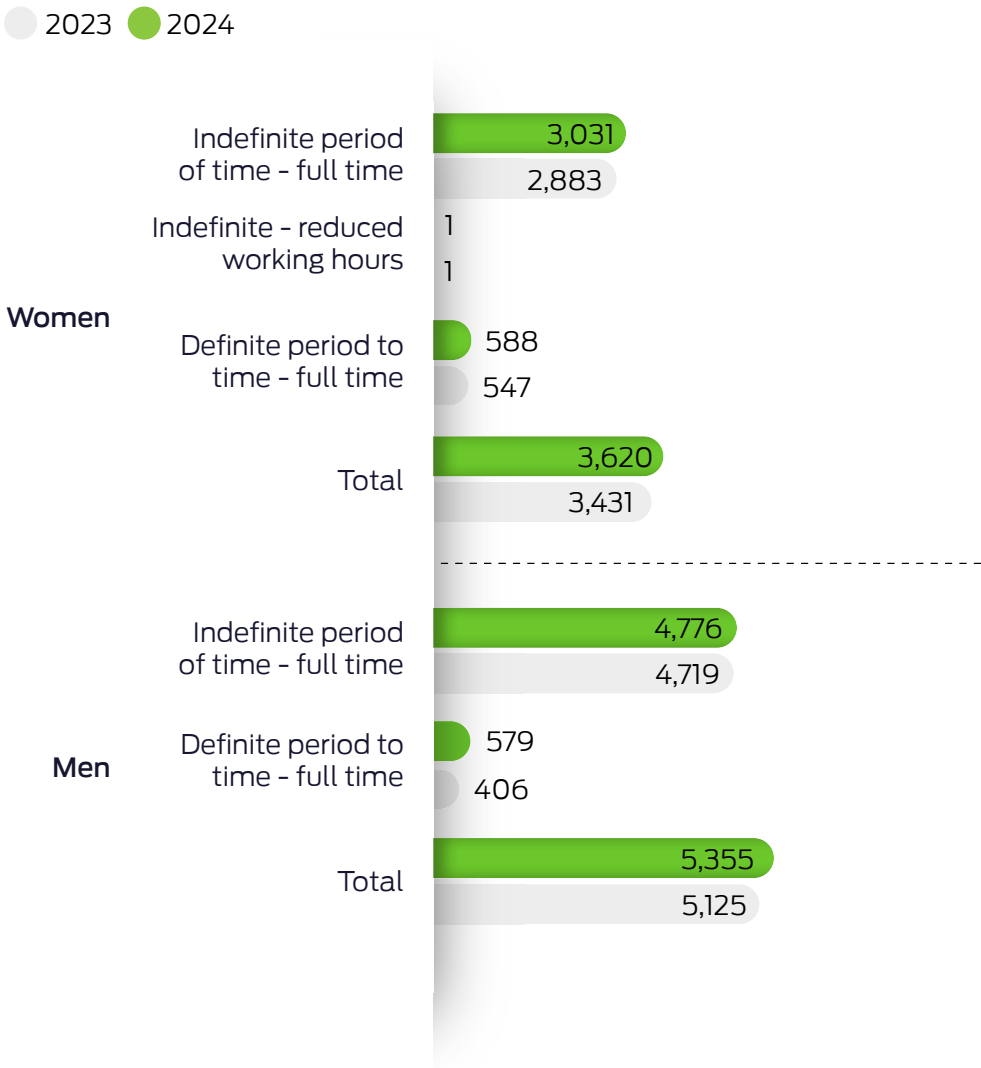
At the level of top management, there was continuity in the representation of women, who made up the majority (57%), which shows the maintenance of gender balance in the highest management positions as well.

Structure of top management by gender



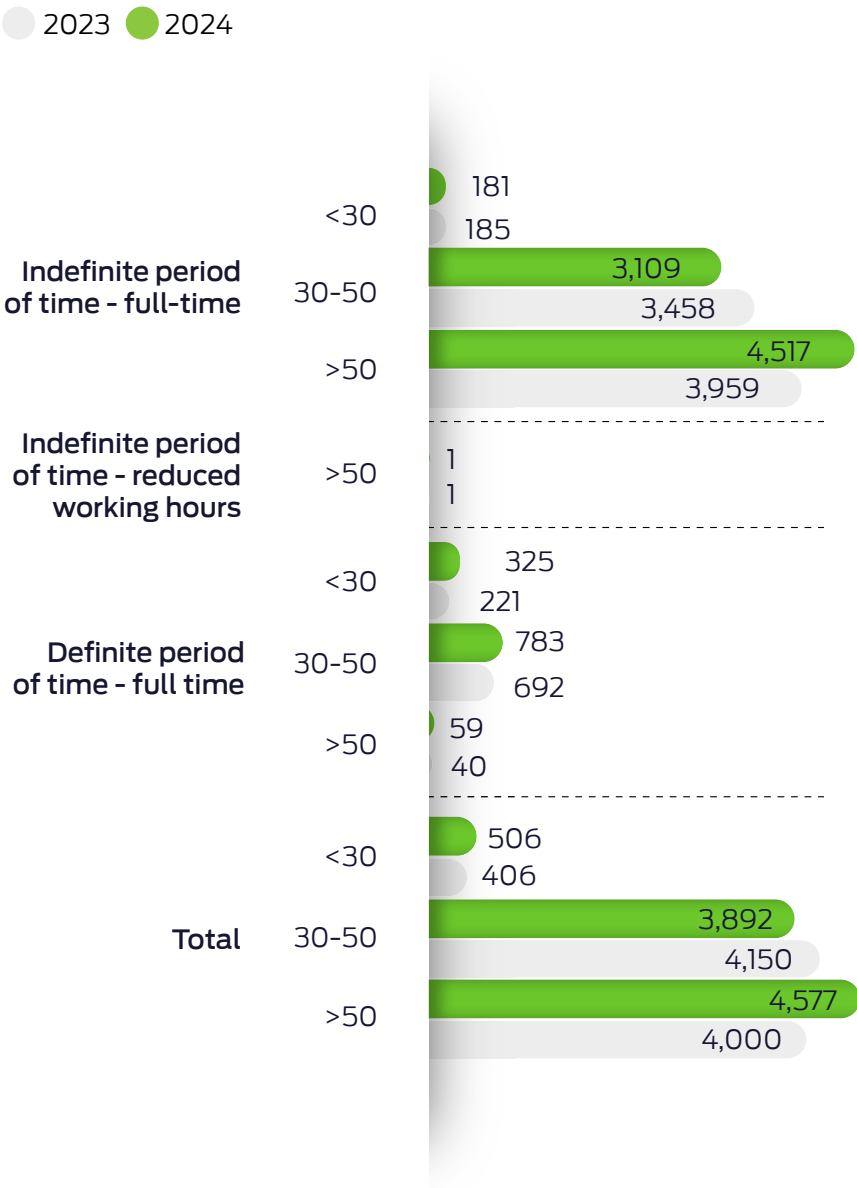
The modalities of employment of employees on an indefinite or fixed-time basis, full-time or part-time, as well as by gender, as of the end of 2024, show that the majority of employees were engaged on an indefinite and full-time basis.

Type of employment and working hours by gender



The most represented form of employment at the end of 2024 remained indefinite and full-time work, especially in the age group over 50 years old, and an increase in the number of younger employees (under 30 years old) with contracts for a definite and indefinite period of time was observed.

Type of employment and working hours by age



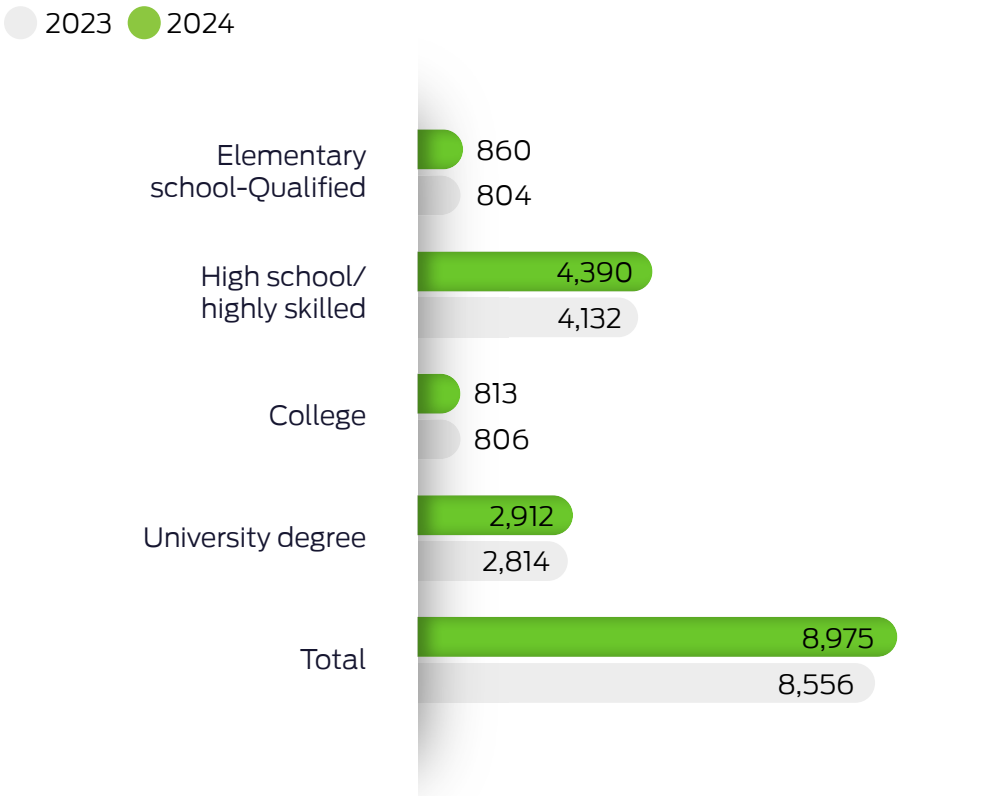
The structure of employees by job category in 2024 shows a stable number of chief officers and department heads, as well as heads of sections, with a slight increase in the “other employees” category. The largest number of employees is still engaged on an indefinite and full-time basis.

Type of employment and working hours

	As of 31 Dec 2023			As of 31 Dec 2024		
	Chief officers and dept heads	Section managers	Other	Chief officers and dept heads	Section managers	Other
Indefinitely – full-time	50	225	7,327	50	230	7,527
Indefinitely – reduced working hours	0	0	1	0	0	1
For a definite period of time – full-time	1	3	949	1	3	1,163
For a definite period of time – reduced working hours	0	0	0	0	0	0
Total	51	228	8,277	51	233	8,691
	8,556			8,975		

By monitoring the educational structure of Telekom Srbija employees, timely identification of needs for further development and direction of personnel capacities is possible. Educational diversity contributes to the synergy of different knowledge, approaches and needs, which are an important basis for sustainable growth and competitiveness of the company. Diversity in the education of employees provides flexibility, innovation and successful implementation of complex tasks within the company, and it is important to point out that all members of the top management have a university degree.

Educational structure of employees



Telekom Srbija Group’s commitment to the development of human resources is highlighted through the strengthening of employees’ competencies in accordance with the business needs. The educational structure of employees within the Telekom Srbija Group and the Telekom Srbija company itself shows a balanced representation of different levels of education.

The largest share is made up of employees with secondary education, while the percentage of employees with university education (VSS) is also significant, amounting to 33% in both categories. The share of employees with college education and lower qualifications has remained moderate, which indicates the diversity of the educational profile in accordance with different business needs.



Educational structure	As of 31 Dec 2023			
	El. School-qual.	High school/ Highly skilled	College	University degree
Telekom Srbija Group	11%	49%	7%	32%
Telekom Srbija	9%	48%	9%	33%

	As of 31 Dec 2024			
Telekom Srbija Group	11%	50%	7%	33%
Telekom Srbija	10%	49%	9%	33%

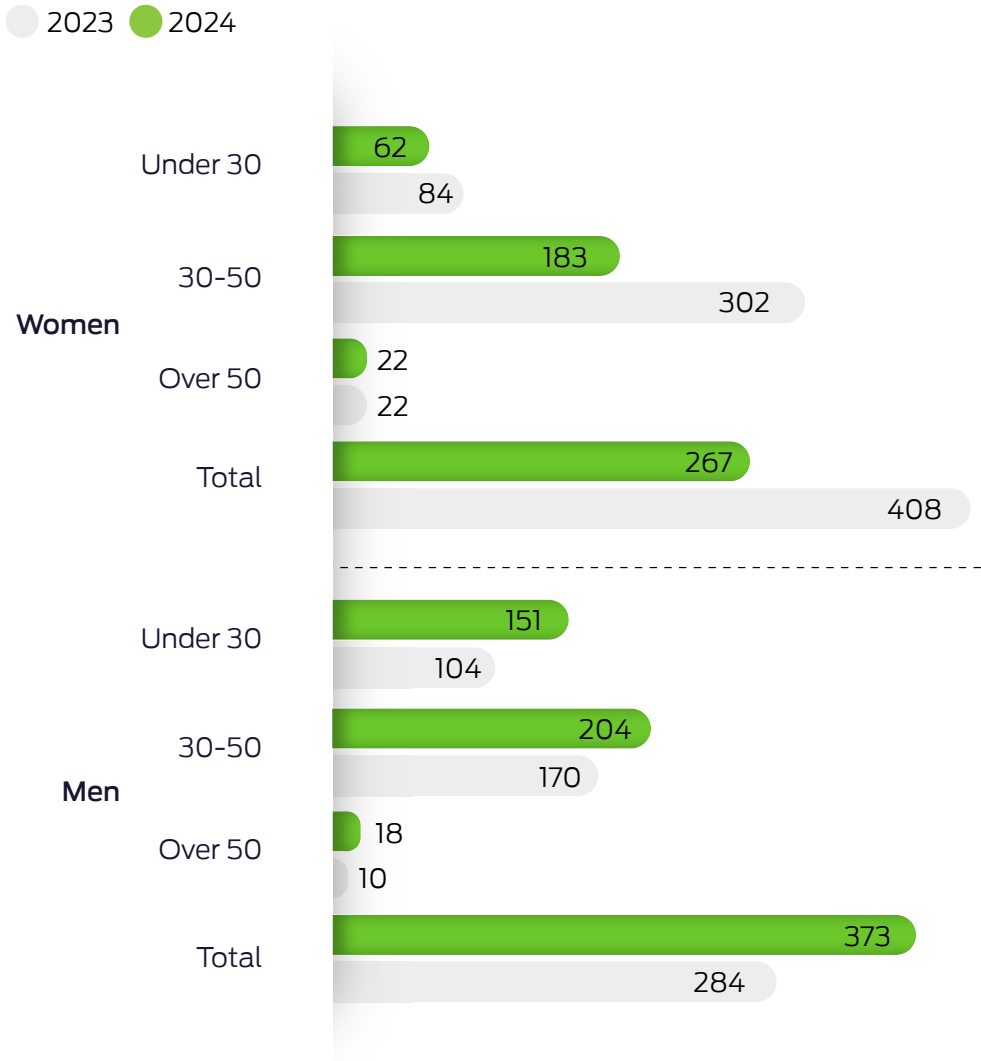
Investing in people is not only part of Telekom Srbija’s strategy – it is what defines the company’s identity. That is why it constantly invests in attracting the best personnel, developing the potential of employees and building a team that pushes the boundaries.

The company’s employment policy is based on clear values – equality, expertise and respect. Every candidate has an equal chance, and the only criterion for employment is professional competence. The company applies zero tolerance towards discrimination, with a strong focus on inclusion, building a working environment where people are not only employed but empowered, developed and stay motivated.



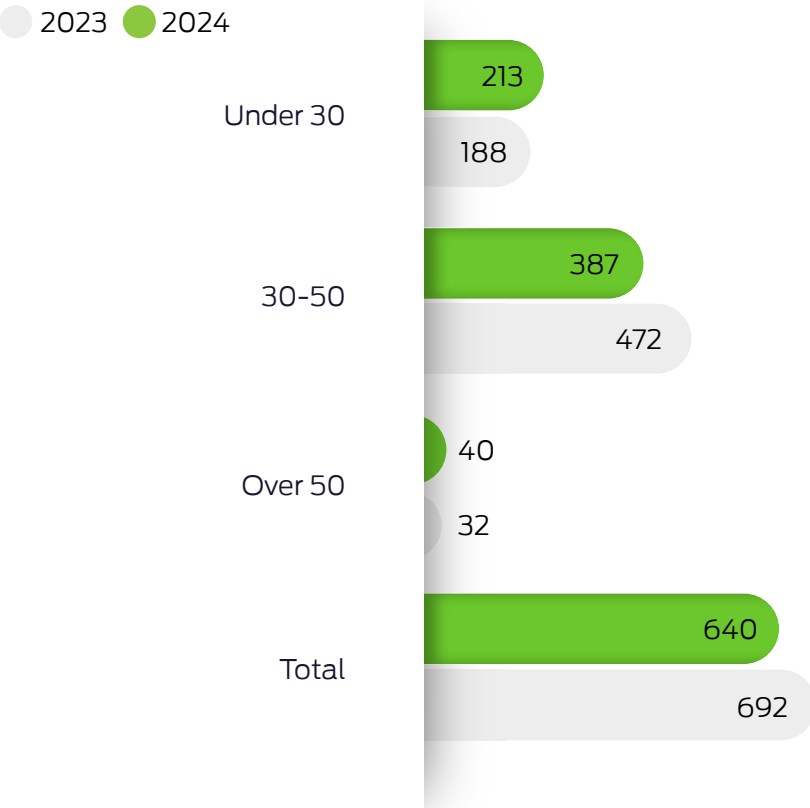
Structure of newly employed people in during 2023 and 2024 indicates diversity in terms of both age and gender. The largest number of new employees comes from the age group of 30 to 50 years, and the presence of both sexes was recorded in all age categories.

Number of new employees by age, structure and gender



The employment strategy is particularly focused on attracting young people, as evidenced by the fact that 37% of the new employees are young people under the age of 30. At the same time, the company nurtures experience and expertise, which is confirmed by the fact that 58% of the new employees are in the age group of 30 to 50 years. Also, valuing the contribution of older workers, the company employed 31 people over 50 years of age, which actively contributes to intergenerational diversity and transfer of knowledge within the organization.

Age structure of newly employed

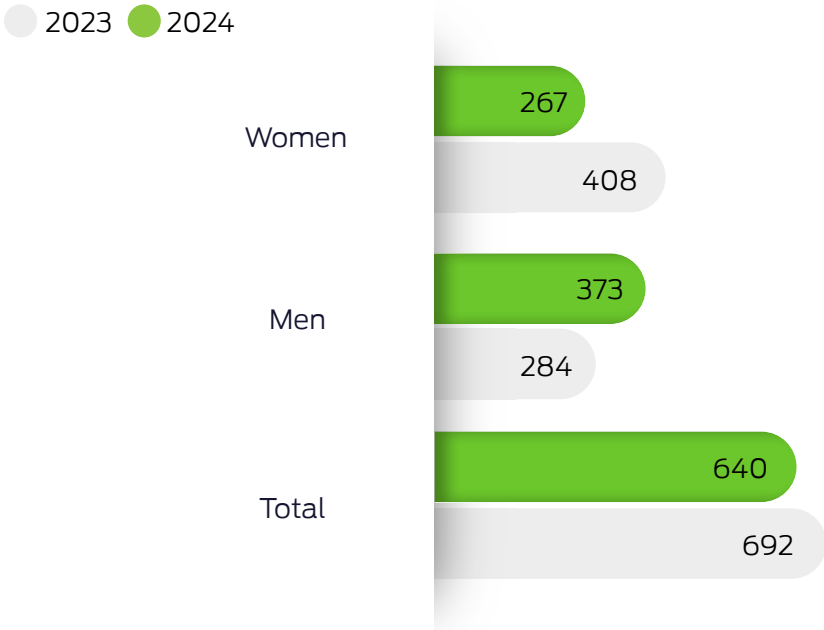


In 2024, the largest number of new employees belonged to the age group of 30 to 50 years, while a significant share was also recorded among candidates under 30 years of age. In all three age categories, a balanced presence of both sexes was recorded.



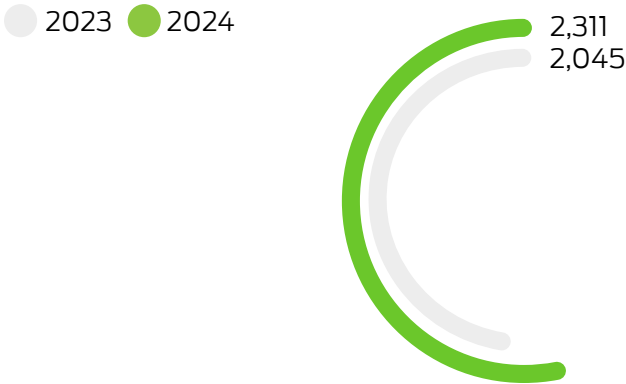
Compared to 2023, when women accounted for the majority of new hires, 2024 saw a reversal in favor of men, who then accounted for 58% of new employees. This change indicates a dynamism in the gender structure during employment, while maintaining the total number of new employees at approximately the same level.

Structure of new employees by gender



In addition to permanent employees, Telekom Srbija hired an additional 2,311 associates through employment agencies in 2024. These employees, in accordance with the Law and the non-discrimination policy, are provided with rights and working conditions that are, to the greatest extent, harmonized with those of permanent employees in the company.

Engaged through leasing agencies: Telekom Srbija

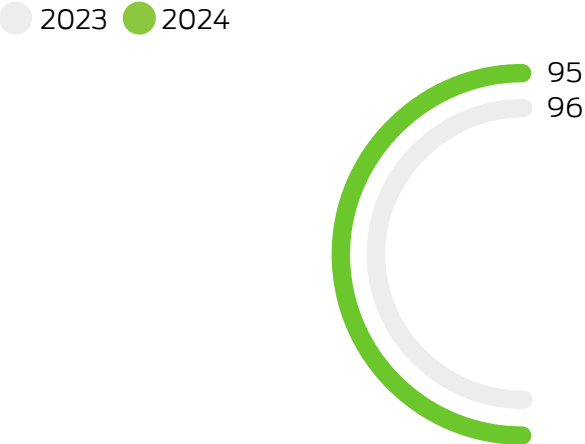


The most common types of jobs for which associates are most often hired are operator jobs, technical and fitter jobs, operational sales jobs, auxiliary operational jobs, and the like. The most significant fluctuation in the number of workers who are not employed by the company during the reporting period is reflected in the transfer of agency workers to temporary or permanent positions within Telekom Srbija.

Telekom Srbija consistently implements the principles of equality and inclusion, with a special focus on gender equality and the empowerment of persons with disabilities. This commitment is reflected through the policy of equal opportunities, which is one of the pillars of the company's corporate culture and social responsibility.

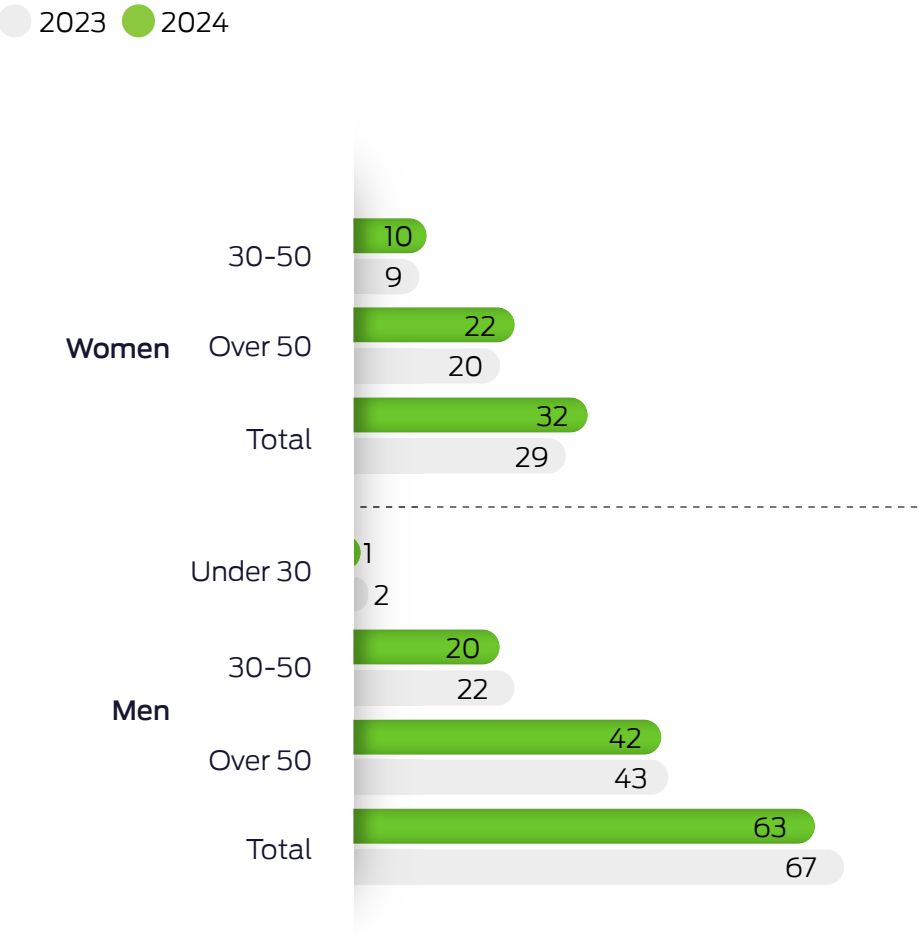
In 2024, there were 95 employees with disabilities in the company. The number of employees with disabilities (95) represents 1.06% of the total number of employees. A fully accessible work environment, technical support and customized training programs are provided for these employees.

Employees with disabilities: Telekom Srbija



Telekom Srbija has shown its commitment to an inclusive working environment, with the preserved participation of employees with disabilities in all age groups in 2024 as well. The total number of employees from this category remained at a similar level as the previous year, with the largest share of people who are over 50 years old.

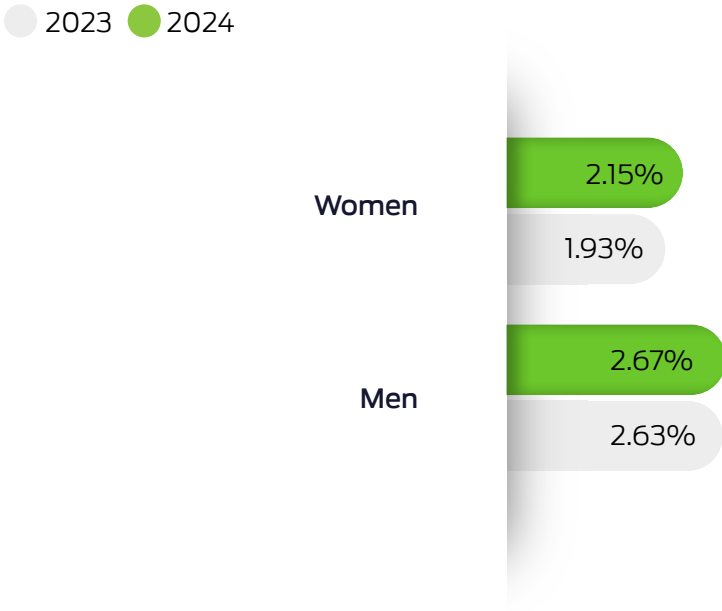
Employees with disabilities by age structure and gender



In a world of rapid changes, those who attract and retain top professionals survive. During 2024, the company hired 640 new employees, while the fluctuation rate of 2.5% is significantly below the global average of about 10% for the industry. This confirms that Telekom Srbija Group succeeds in retaining people through building relationships of trust, enabling development and providing perspective. It is particularly significant that the number of departures among key resources and talents has been reduced to a minimum, confirming that employees are not looking for a better opportunity because they have already found it at Telekom Srbija.

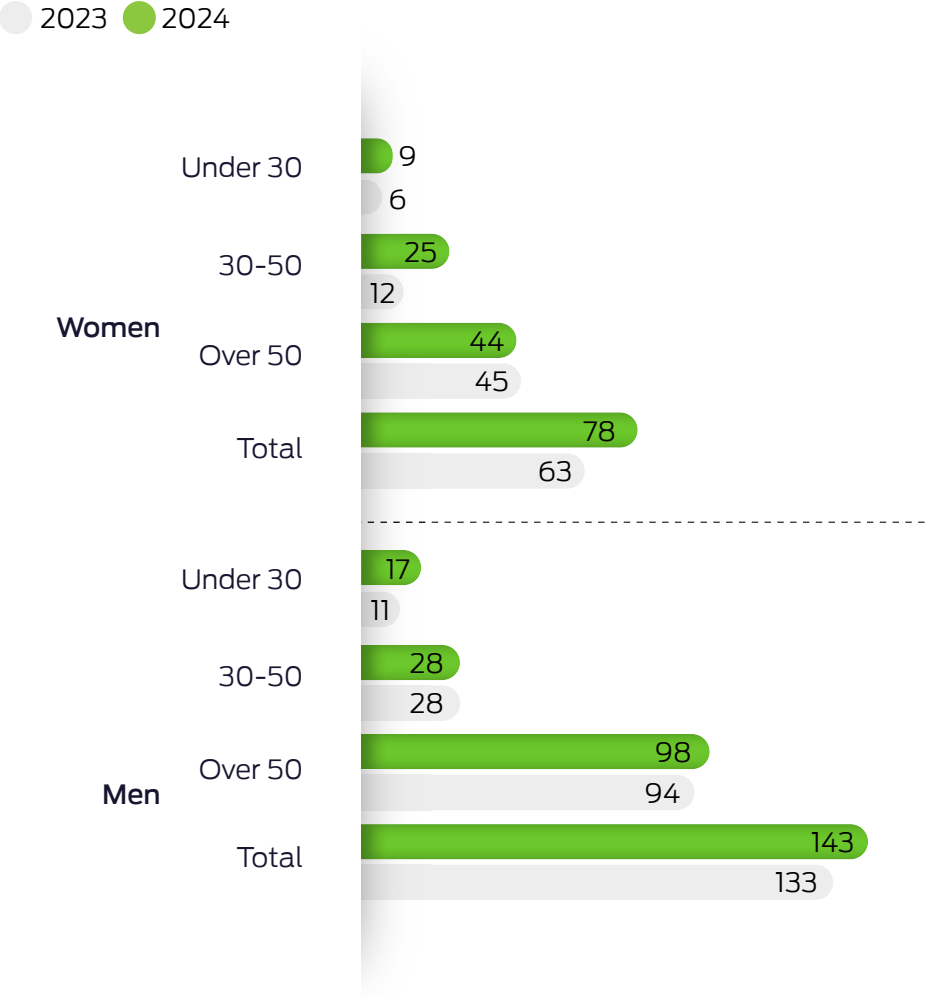
The employee fluctuation rate recorded a slight increase in 2024 for both sexes compared to the previous year. Men still had a slightly higher rate of leaving the company compared to women, with the percentage difference remaining stable.

Employee fluctuation by gender



Slight changes in the fluctuation dynamics by age and gender structure are noted in the group of employees older than 50 years, as well as a slight increase in churn among younger employees and women in the age group of 30 to 50 years.

Termination of employment by gender and age structure



Telekom Srbija implements a strict equal pay policy, ensuring equal remuneration for men and women performing the same job within each professional category. Salaries and benefits are based on objective criteria such as level of work and responsibility, and the same structure applies regardless of gender. In 2024, the company reported the following average gender pay gaps in the three occupational categories used in this report: Employees: -5% in favor of women; Department heads: +3% in favor of men and CEOs and heads of departments: +1% in favor of men. These minor deviations, all within ±5%, are the result of statistical and structural factors and are not considered material. This approach is in line with the GRI and the EU Equal Pay Guidelines which recognize such variations as normal within fair systems. The percentage of employees who receive the minimum wage is 0%, which means that all employees receive a wage above the legal minimum.

In 2023, the ratio of total annual compensation for the highest-paid individual to the median employee was 6.89, and the percentage increase ratio was 1. That same year, both the highest-paid individual and all employees received 5% salary increases in February, July, and November as part of the company's Business Plan and collective bargaining. In 2024, the compensation ratio was 6.12 and the percentage increase ratio was 0.67. The highest-paid individual received a 5% pay increase in March and an additional 5% in November, while other employees received a 10% increase in March and another 5% in November. These adjustments are also projected within the Business Plan and are the result of an agreement between the union and management, which apply to all employees.



4.2. Human capital management



The Telekom Srbija company constantly invests in improving the well-being of its employees, encouraging their professional development and harmonizing business and private obligations. This approach contributes to the long-term sustainability of the business and the strengthening of a corporate culture based on trust, inclusion and mutual respect. The company’s remuneration policy is designed to attract and retain talent, motivate employees and reward exceptional performance, while ensuring internal fairness and external competitiveness. The reward system includes fixed and variable components, as well as a wide range of benefits. The process of determining compensation and remuneration policy includes regular analyzes of the labor market, benchmarking with competitors in the telecommunications sector and beyond, as well as an internal evaluation of workplaces. The remuneration policy is approved by the corporate bodies in consultation with the Human Resources Directorate.

Precisely thanks to this commitment, in 2024, Telekom Srbija acquired a full Family Friendly Enterprise (FFE) certificate, which is a confirmation of a high standard of family-friendly policies. The certificate is the result of a three-year process of implementing measures and benefits aimed at creating a working environment that actively supports the balance between professional obligations and the private life of employees.

During 2024, the following FFE measures were implemented, which additionally strengthen the company’s commitment to this principle:

FFE measure	During 2023	During 2024
Using flexible working hours	3,908	3,934
Free day for children starting the first grade	214	244
Reduced working hours after maternity leave	33	251
Double solidarity aid for the birth of the 3rd and 4th child	23	36

In an effort to continuously improve the satisfaction and engagement of employees, Telekom Srbija provides a wide range of benefits, of which the following stand out:

- voluntary pension insurance,
- insurance in case of illness, surgical interventions and injuries,
- specialist medical examinations,
- solidarity aid,
- health recreation and rehabilitation,
- financial support for solving housing needs,
- payments for the purchase of New Year’s packages for employees’ children.

In addition to the above standard benefits, the company also offers flexible benefits to its employees, which enable an individual choice of services and benefits, adapted to personal needs. In 2024, the number of users of flexible benefits amounted to 1,273 employees, which further strengthened the company’s approach to supporting employees through personalized programs.

Likewise, the parenting support policy goes beyond legal requirements and includes a number of measures to ease the transition to work after maternity leave. These measures, among others, include a gradual return to work and flexible working hours, and their result is the fact that for many years, including the year 2024, the company has had a 100% return-to-work rate after using maternity and child care leave. During the year 2024, four male employees used the right to child care leave.

Parental leave use indicators	During 2023		During 2024	
	Men	Women	Men	Women
Employees who had the right to parental leave	5,125	3,431	5,355	3,620
Employees who used parental leave	5	134	4	135
Employees who returned to work in the reporting period after the end of parental leave	5	134	4	135
Employees who returned to work after the end of parental leave and who were still employed 12 months after returning to work	5	134	4	135
Return to work and retention rates of employees who used parental leave	100%	100%	100%	100%

It is extremely important to point out that 100% of employees at Telekom Srbija are covered by the Collective Agreement, by which numerous benefits for employees are defined: collective insurance for employees, recreation and rehabilitation to prevent occupational diseases and reduce injuries at work, preventive specialist medical examinations of employees, voluntary pension insurance, grounds for increasing annual leave and paid leave above the legal minimum, grounds for increasing wages above the legal minimum (overtime, shift work, night work, years of service, etc.), monthly incentives based on work performance, payment of fixed and variable parts of salary based on the employees’s share in the company’s business results, payment of severance pay upon retirement in an amount higher than the legal minimum, solidarity aid to employees for various basic benefits in accordance with special acts of the company, jubilee awards for 10, 20, 30 and 40 years of service in the company, interest-free loan to employees.

4.3. Safety and health at work as a strategic priority of the company

Telekom Srbija consistently places the creation of a safe and healthy working environment as one of its key priorities, which is confirmed by the successful implementation of the international standard ISO 45001. The company advocates the principle that there is no successful business without safe employees, whether the work takes place in the office, in the field or in technical conditions. All employees have the right to work in an environment that protects their physical, mental, psychological and social well-being.

That is why Telekom Srbija improves its internal procedures every day, systematically analyzes risks and makes decisions that directly affect the safety and health of employees. A special investment is made in raising awareness and continuous education of employees about the importance of creating and preserving a safe working environment, which ensures their active commitment to improving safety and health standards at work.

The company's occupational health and safety system is integrated into all business processes, where hazard identification and risk assessment are the basis for proactive action. Telekom Srbija is not satisfied with fulfilling legal obligations, but recognizes and fulfills the expectations of all interested parties – employees, but also the wider community.

A team of around 30 occupational health and safety experts provides daily support, advice and education, building a culture of responsibility and care that goes beyond formal requirements and becomes an indispensable part of corporate practice.

Key activities implemented during 2024 include:

- Training for safe work: Continuous training of employees as a basic tool for prevention. During the year, specialized trainings were conducted for the management of forklifts, hydraulic cranes, excavators and work on telecommunications poles, with a total of 85 trained employees.
- Medical examinations: The priority given to the health of employees is reflected in the implementation of periodical examinations, which included 1,983 employees, while an additional 3,000 were referred for specialist examinations for the purpose of prevention and early diagnosis.

- Health rehabilitation and recreation: Recovery and resilience strengthening programs were organized for employees exposed to increased physical efforts and risks, which were used by 550 employees, whereby the company actively contributes to preserving their long-term health.
- Prevention of injuries at work: The goal of the company is the elimination of serious and fatal injuries. During 2024, 19 serious and 71 minor injuries were registered, while the strategy is based on a detailed analysis of each incident and the systematic improvement of protective measures.
- Procurement and issuance of personal protective equipment (PPE): More than 3,500 employees use adequate, functional and comfortable protective equipment, the use of which is regularly monitored and controlled.

Telekom Srbija Group consistently applies the provisions defined by the Law on Occupational Safety and Health. In order to raise the level of safety and health at work, Telekom Srbija implemented ISO standard 45001:2018 in 2019, for which recertification was carried out in 2022, and adopted the Policy of Safety and Health at Work, which defined the principles and scope of application.

Occupational safety and health	During 2023	During 2024
Number of employees in high-risk jobs	1,733	1,983
Number of injuries at work with minor injuries*	74	71
Number of serious injuries at work**	21	19
Number of fatal workplace accidents	0	0

*Out of 71 injuries in 2024, 21 are related to work
**Out of 19 injuries in 2024, 4 are related to work

Telekom Srbija provides collective insurance for all employees against the consequences of accidents at work and outside of work (24 hours), as well as against serious illnesses and surgical interventions. The right to payment of the insured sum by submitting a compensation claim by insurance companies was approved for a total of 290 insured cases in 2023, while in 2024 this right was approved for a total of 348 insured cases.



Telekom Srbija also provides additional protection for employees through collective insurance, with increased insurance sums for employees who are assigned to workplaces with increased risk.

In 2024, there was a slight decrease in the number of work-related injuries that led to sick leave in the workplace among men, while the number increased slightly among women. The number of injuries on the way to or from work decreased among women and increased among men. The total number of lost working days due to work-related injuries has significantly decreased compared to 2023, which indicates a shorter absence of employees and a potentially faster recovery.

Work injuries	During 2023		During 2024	
	Men	Women	Men	Women
The number of work-related injuries that led to sick leave at the workplace	51	9	48	12
The number of injuries at work that did not lead to sick leave at the workplace	0	0	0	0
The number of work-related injuries on the way to or from work that led to sick leave	13	22	16	14
The number of work-related injuries on the way to or from work that did not lead to sick leave	0	0	0	0
Total number of employees	5,125	3,431	5,353	3,622
Number of hours worked during the year	2,016		2,024	
Number of lost working days due to work injuries	1,761	378	1,311	437
Number of hours lost	17,112		13,984	
Total number of hours worked (number of employees × number of working hours per year)	17,248,896		18,165,400	
Occupational injury rate*	3.47		3.3	
Lost days rate**	0.12		0.096	

*Methodology used: total number of injuries that led to sick leave / total number of hours worked × 1,000,000
**Number of lost days / total hours worked × 1,000

In Telekom Srbija during 2023 and 2024, there were no deaths due to injuries at work, neither among employees, nor among workers of third parties. In 2024, the number of serious injuries decreased in men, while in women it remained unchanged. The total number of injuries decreased slightly compared to 2023, and falls from height are still the main cause of injuries. Although the main dangers and causes have not changed, the total number of lost working days and hours has decreased, which indicates a faster rehabilitation of the consequences of injuries and a more effective implementation of preventive measures. All violations and measures are recorded in accordance with the ISO 45001 standard and the Risk Assessment Act.

Employee work injuries	During 2023		During 2024	
	Men	Women	Men	Women
Number and rate of deaths as a result work injury	0	0	0	0
Number of serious injuries	11	1	8	1
Total number of injuries	51	9	48	12
Main type of injury	Fall from a height		Fall from a height	
The number of injuries to third-party workers	0	0	0	0
Number of serious injuries to third parties	0	0	0	0
Number of third-party deaths	0	0	0	0
Number of hours worked by third parties	0	0	0	0

Employee work injuries	During 2023		During 2024	
	Men	Women	Men	Women
Main dangers	Work at height, physical instability, work in the zone of non-ionizing radiation, non-physiological body position		Work at height, physical instability, work in the zone of non-ionizing radiation, not physiological body position	
Causes of serious injuries	Fall from a height		Fall from a height	
Injury elimination measures	Event investigation, corrective measures (Risk Assessment Act)		Event investigation, corrective measures (Risk Assessment Act)	
Standards and methodologies	ISO 45001, Risk Assessment Act, Injury Records		ISO 45001, Risk Assessment Act, Injury Records	
Work-related illnesses	There was no illness		There was no illness	

Telekom Srbija believes that taking care of employees means commitment to every detail, because safety and health are not just statistical indicators but standards by which the quality of working life is measured.

In addition to the implementation of training for the safe work of employees, the management of their development at Telekom Srbija is realized through regular and planned educational and development – motivational programs, especially aimed at management, talents and other employees. These programs include various forms of internal and external education, business simulations, team building activities, as well as additional professional training. Through the application of an online learning platform, the company further strengthens the role of employees as active partners in creating a culture of continuous learning and professional development.

The approach to employee development is based on the philosophy of lifelong learning and continuous improvement of competencies. Telekom Srbija recognizes that in the era of digital transformation and rapid technological changes, continuous investment in the knowledge and skills of employees is not only a benefit but a key strategic need for maintaining the company’s competitiveness and innovation.

During the reporting period, employees spent a total of 42,421 hours on various educational programs, which reflects the company’s strong commitment to the development of its personnel. On average, each employee participated in about four hours of education, which represents a significant step forward in strengthening capacities and competencies at all levels of the organization.

	During 2023	During 2024
Total number of hours of education	36,634	42,421
Total number of employees	10,601	10,737
Average number of hours of education per employee	3.45	4

When the data is analyzed by gender, the average number of hours of education is as follows :

	During 2023	During 2024
Total number of hours of education - men	19,936	19,208
Average number of hours per employee - men	3.2	3.1
Total number of hours of education - women	16,698	23,213
Average number of hours per employee - women	3.6	5

The programs that the employees went through during the reporting period were extremely diverse, meaningful and carefully designed, with the aim of responding to different development needs, improving skills and supporting professional growth.

They covered a wide range of topics – from professional and technical training, through the development of soft skills (communication, leadership, time and stress management, teamwork), to areas such as digital competences, innovation, agile methodologies and employee well-being.

This variety allowed employees to develop in accordance with the requirements of their positions, but also to expand their horizons and competences for future challenges.

Below is a presentation of development programs by category:

Trainings by category	During 2023			During 2024		
	Number of part.	% of men	% of women	Number of part.	% of men	% of women
Legal training	3	100%	0%	106	100%	0%
Professional training	334	46.7%	53.3%	372	51%	49%
Soft skills training	684	46.5%	53.5%	1,251	43%	57%
Team building	383	50.4%	49.6%	602	48%	52%
Other professional development* (professional exams, licenses, education)	470	64%	36%	243	64%	36%

*In addition to professional training, according to precisely established criteria, the final years of employees' education, taking professional exams and obtaining certificates and licenses from domestic and international organizations are also financed, for example, for responsible designer, responsible contractor, PMP, Certified Scrum Master, Certified Product Owner, CISCO, GIAC, IBBA, ISO 31000 Lead Risk Manager, etc.

Performance evaluation and career development are key components of human resource management that directly influence employee motivation, engagement, and professional growth. Below are the results that describe the current practice in these areas, identifying strengths, challenges and potential improvements in order to create a stimulating and sustainable work environment.

	Type of engagement in 2024		
	Employment	Leasing	Total
Evaluation of employees in the Sector for Business Users	495	65	560
Evaluation of employees for sales to private users	565	915	1,480
Performance appraisal	268	1,442	1,710

The performance evaluation included 3,750 people, which represents approximately 34.9% of the company’s total workforce.

Key components of the performance evaluation and career development system include:

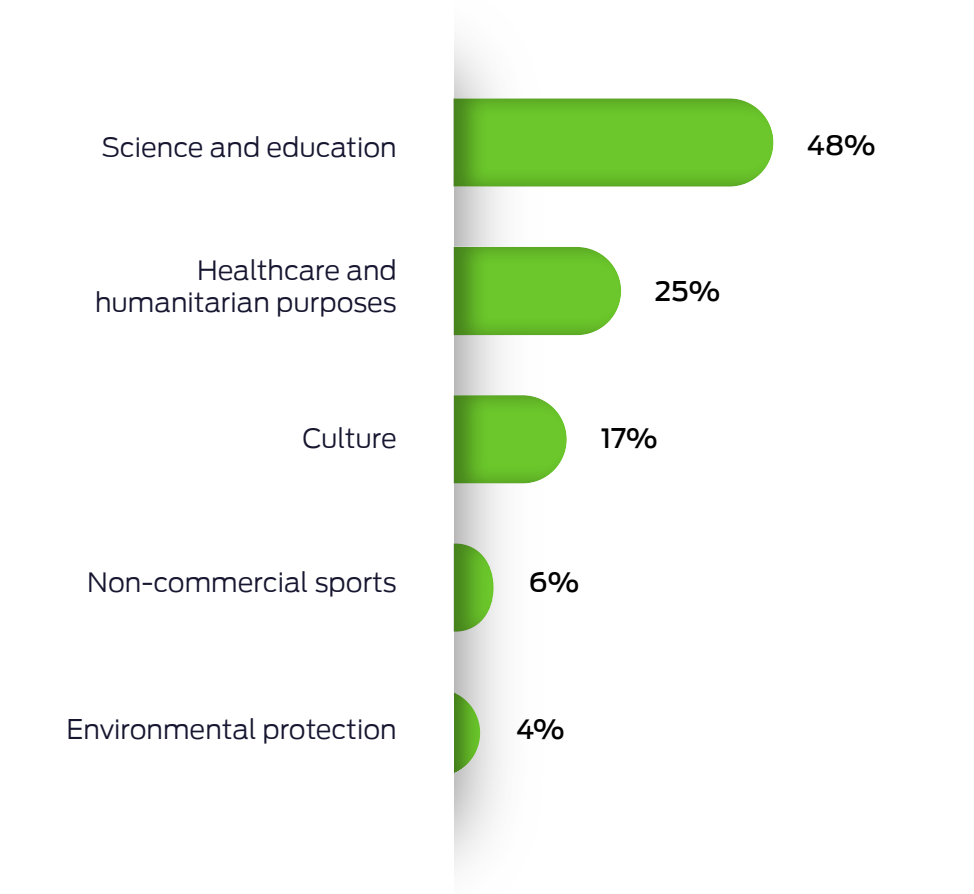
1. Setting goals and expectations – At the beginning of the year, employees and managers jointly define SMART goals aligned with the company’s strategic directions and individual development needs.
2. Continuous Feedback – Through formal check-in conversations and informal feedback, employees receive timely guidance to improve performance.
3. Annual evaluation – Comprehensive assessment of achieved results and demonstrated competencies, which includes employee self-assessment and manager’s assessment.
4. Development planning – Based on the results of the evaluation, individual development plans are defined that may include formal education, mentoring, work on projects and other development activities.
5. Link to reward system – Evaluation results directly affect variable pay, bonuses and advancement opportunities, further strengthening the link between performance and reward.

The Talent Management Program, which identifies employees with high potential and provides them with customized development opportunities, is particularly noteworthy. In 2024, in accordance with the Talent Management Methodology of Telekom Srbija, several hundred employees were included in this program, and some of them were promoted to higher positions within the company.

4.4. Community support

In accordance with the ESG strategy, projects aimed at education, environmental protection and preservation of biological diversity, as well as support for vulnerable social groups, improvement of the health system, protection of cultural heritage and promotion of non-commercial sports for children and youth, the company is committed to creating sustainable and lasting programs that have a long-lasting impact on society. Telekom Serbia in 2024 confirmed its commitment to the sustainable development of communities through the support of 100 projects and programs that are based on the needs of local communities and contribute to their development.

Supported projects and programs in accordance with the specific needs of local communities during 2024



The company’s focus is on developing programs that address systemic challenges and create lasting value for the society. In 2024, the largest number of socially responsible activities was in the form of long-term programs with clearly defined goals, success metrics and impact evaluation:

- **Science, education and youth empowerment:** Believing that young, educated people are the key to the progress of society, Telekom Srbija realizes most of its activities in this area through the umbrella program “Starting the Initiators”, which provides support for the young people to show their full potential . This program includes the projects “We create knowledge”, “mts app contest” and “Telecom with Talents”.
- Through the “We create knowledge” project, the company provides support for improving the digital literacy of elementary school students through investing in equipping IT cabinets in schools. The development of digital skills is necessary for young generations, which is why Telekom Srbija strives to contribute to better equipping schools with computers and other IT equipment, but also to point out, as a socially responsible company, the necessity of responsible use of digital content and devices. Through 8 cycles of the project, 160 classrooms in 160 elementary schools throughout Serbia were equipped.
- As part of the “mts app competition”, talented high school students get the opportunity to show their entrepreneurial abilities in developing applications for mobile devices that can improve the daily life of users and enrich their way of using them.
- In the “Telecom with Talents” project, the company gathers young people who recognize the importance of education and the development of their abilities, giving them an incentive on the way to achieving their life goals.
- The commitment to future generations is particularly reflected in the project “Children’s world is bigger than the screen”, which emphasizes the importance of balanced and controlled use of digital devices at an early age of children.



- **Environmental protection:** In the area of environmental protection, Telekom Srbija is consistent with a responsible approach towards nature. Through the ecological project “No species dies alone”, the company expressed its commitment to preserving biodiversity and achieving a positive impact on the environment. The project was created as a result of Telekom Srbija’s many years of support to associations and experts who, through active protection measures and with the application of modern mobile telecommunications technologies in the monitoring of endangered species, work to improve living conditions for them, but also for all of us.
- The company’s support for key species protection programs, on which the functioning of the entire ecosystem depends, takes place on several levels: through financial support for the purchase of special equipment and field activities of experts, as well as through educating the public about the importance of preserving biological diversity, which is the basis for a healthy environment. The type of support that reflects Telekom Srbija’s greatest contribution is certainly the company’s strong mobile network, which provides support for science in the protection of endangered species and thus enables modern technologies to be applied in their monitoring even in inaccessible parts of Serbia.

ČUVAJMO NAJVAŽNIJU OD SVIH MREŽA. MREŽU ŽIVOTA.

NAZIV: BELOGLAVI SUP (GYPS FULVUS) DUŽINA: 95-110 CM TEŽINA: 6-10 KG RASPON KRILA: 230-280 CM ZNAČAJ: SPREČAVA ŠIRENJE ZARAZA	NAZIV: MODROVRANA (CIRCUS GARRULUS) DUŽINA: 29-32 CM TEŽINA: 150 G RASPON KRILA: 52-58 CM ZNAČAJ: REGULIŠE BROJNOST INSEKATA	NAZIV: ORAO ZMIJAR (CIRCUS GALLICUS) DUŽINA: 62-69 CM TEŽINA: 1,2-2,3 KG RASPON KRILA: 162-178 CM ZNAČAJ: REGULIŠE BROJNOST GMIZAVACA	NAZIV: UTINA (ASIO OTUS) DUŽINA: 31-37 CM TEŽINA: 350 G RASPON KRILA: 86-98 CM ZNAČAJ: SPASAVA USEVE OD GLODARA
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NIJEDNA VRSTA NE UMIRE SAMO

Telekom Srbija
Tu gde ste vi

- **Healthcare and humanitarian purposes:** Through investments in highly specialized healthcare facilities, Telekom Srbija contributed to strengthening institutional capacities and improving treatment conditions for patients. He also supported the activities of numerous foundations, associations and humanitarian organizations, especially associations of parents and children who had experience with serious or chronic diseases, thus contributing to their better integration into everyday life and overcoming differences. Through support projects for sensitive groups, the company contributes to the promotion of social inclusion.
- **Culture:** By advocating for the preservation of historical and cultural values, rich traditions and customs, as well as supporting authentic artistic creativity, Telekom Srbija actively contributes to enriching the cultural, creative, intellectual and spiritual environment of the community. From the traditional New Year's gifting of books to primary school libraries, through the support of musical, stage, literary and art events, the company has productively promoted the importance and need to preserve cultural heritage.



- **Non-commercial sport:** In order to support the development of sportsmanship and team spirit, the company supports programs aimed at strengthening these qualities, primarily among young people.



Awards and recognitions

As a result of continuous efforts in supporting society and local communities, Telekom Srbija is the winner of several awards for its social contribution in 2024:

Name of the award	Organizer	Award description
“Campaigns with a purpose” in the field of Social for the project “Children’s world is bigger than the screen”	Festival of Socially Responsible Communication “Campaigns with a Purpose”	Award for promoting the welfare of children and an example of communication with a clear social purpose.
“Sustainability Champion 2024” for the project “Children’s world is bigger than the screen”	Forum for responsible business and Smart collective	Award for direct contribution to the achievement of Sustainable Development Goal 4 - Quality education, with an emphasis on sub-goal 4.2 - contribution to early childhood education .
Golden donor to support the Mathematics High School in Belgrade	Mathematics high school in Belgrade	Recognition for long-term support of young talents and affirmation of knowledge as a key value.
Plaque for contribution to the development of sports for persons with disabilities	Sports Association of Persons with Disabilities of Belgrade	Recognition for continuous support for the development of sports for persons with disabilities and the work of the Association.
First place in the marathon plogging challenge at the 37th Comtrade Belgrade Marathon	Belgrade Marathon doo, Serbian Chamber of Commerce, Association Plogging Serbia	The first place of the eco-team in the recreational discipline that combines running and waste collection, as an example of environmentally responsible team engagement.
Full Family Friendly Enterprise certificate	Ekvilib Institute and Balance Company doo Belgrade	Certificate for successfully meeting standards in the area of family responsibility policies and harmonizing the private and business life of employees.

Development of digital infrastructure in rural communities

Telekom Srbija, in close cooperation with the competent ministry, is actively implementing the strategic project of building broadband infrastructure in rural areas. The goal of this endeavor is to reduce the digital divide and improve digital inclusion, which directly contributes to social and economic cohesion in less developed areas. While the Ministry implements the mid-mile segment of the network, Telekom Srbija is in charge of building the access network within a district, which enables a direct connection to end users.

By the end of 2024, the construction of optical infrastructure was completed in 88 districts, covering a total of 19,696 households. The planned first phase of the project in 2025 envisages the coverage of an additional 349 villages with around 50,000 households. This project not only contributes to digital connectivity, but also strengthens the resilience of rural communities to crisis situations, while stimulating local economic development through digital transformation.

In addition to fixed broadband infrastructure, Telekom Srbija invests significantly in the development of wireless technologies in order to improve signal coverage in less accessible and rural areas. According to the RATEL report for the fourth quarter of 2024, the coverage of the population with mobile signals is an impressive 99.43% for 2G, 97.25% for 3G and 98.40% for 4G, which represents the highest percentage of 4G signal coverage among all operators in Serbia. Accordingly, the results of mobile network testing show the leading position of Telekom Srbija, which is also confirmed by independent measurements of the German company NET CHECK in the segments of voice and Internet traffic.

Telekom Srbija is committed to continuous investments in digital infrastructure, aligning its plans with the strategies of the Ministry and available public investments, with the ultimate goal of ensuring even development and improving the quality of life in rural communities throughout Serbia.

Non-ionizing electromagnetic radiation of mobile telephony base stations

Despite strict standardization and regular control of emissions of non-ionizing radiation from base stations of wireless access networks of mobile telephony, they inevitably contribute to the electromagnetic environment in the environment.

That is why the radiation of base stations is the subject of daily prevention of exposure of the population to the electromagnetic field, which is achieved by careful planning of the network, the use of modern and certified equipment, and the creation of expert evaluations of the environmental load, environmental impact assessment studies, measuring the level of the electromagnetic field, as well as educating the population about the responsible use of telecommunications equipment. The category of non-ionizing radiation also includes low-frequency radiation, which, for example, originates from transformer stations. The company also takes care of them by hiring authorized laboratories that carry out measurements and check the compliance of low-frequency radiation with the legally prescribed levels of population exposure.

Since the main activity of Telekom Srbija is the provision of telecommunication services, a large 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 exposure to non-ionizing radiation from mobile phone base stations of the population and the burden of living space with EM fields of anthropogenic origin. Every day we work on prevention through network planning, electromagnetic radiation measurements, environmental impact assessment procedures, cooperation with public administration bodies, professional organizations, and the civil sector.

In 2024, the following were implemented :

- 332 measurements covering 1,107 base stations
- 258 expert assessments of the environmental impact (EIA) that include measurements for 793 base stations
- 18 Environmental Impact Assessment Study
- 15 public hearings related to environmental impact assessment studies
- 103 conducted inspections related to the control of the operation of base stations, which included 396 base stations.

Considering the development of the network in accordance with all the above, it is clear that there is a possibility of receiving Telekom Srbija services by all interested citizens throughout the territory of the Republic of Serbia. Every potential and existing user is fully aware of the services provided by the company. On the website www.mts.rs, interested private and business users can familiarize themselves with the services, contracts and price lists of Telekom Srbija. In this way, the company acts in full compliance with the legislative regulations related to the field of telecommunications and transparently informs users about its offer.

4.5. Customer safety and health

Telekom Srbija does not have direct products with a high risk for the physical health of users, but it is aware of its responsibility when providing services and strives to ensure in all aspects of business:

- preserving the user's health by monitoring the level of electromagnetic radiation,
- safe use of equipment and infrastructure,
- digital security and user data protection,
- support to users in emergency situations.

The company continuously implements measures to assess and minimize all potential impacts on the health and safety of users, thus confirming its commitment to sustainable business and strengthening user trust. Recorded possible impacts on the health and safety of users are:

1. Exposure to electromagnetic fields
 - Telecommunications services require the use of base stations and devices that emit radio frequency electromagnetic fields.
 - Impact: Long-term exposure is subject to regulatory oversight.
 - Management: Telekom Srbija carries out environmental impact assessment and device radiation measurement procedures in accordance with regulations and ensures installation in accordance with prescribed norms.
2. Security of telecommunications equipment and installations
 - It includes the security of fixed and mobile devices, Wi-Fi routers, modems and deployed network infrastructure.
 - Impact: Possibility of injury due to improper use or contact with damaged equipment.
 - Management: Technical controls of the equipment, instructions for safe use, training of employees and partners who perform the installation.

3. Psychosocial impacts (digital well-being)

- Excessive use of mobile devices and the Internet can affect the mental health of users.
- Management: Educating users about responsible use of digital devices and services, as well as balancing time spent online. In 2024, a large campaign "Children's world is bigger than the screen" was launched, which aimed to educate parents and the public about the importance of balanced use of screens and digital devices at an early age for children.

4. Security of digital services and data

- Inadequate data protection can threaten user security through misuse of personal data.
- Management: Implementation of the information security system (ISO 27001) and protection mechanisms against cyber attacks.

5. Ensuring reliable communication in emergency situations and for sensitive user groups

- Telecommunication services are essential for health and safety in emergency situations (reporting emergencies, contacting emergency services).
- Management: Maintaining high network reliability, business continuity plans and priority support for emergency services.
- Enabling access to communication services for sensitive user groups

During 2024, the Telekom Srbija company did not register a single case of non-compliance with laws and regulations related to the impact of products and services on the health and safety of users.



4.6. Protection of consumer privacy

Telekom Srbija Group, as one of the largest telecommunication operators in Southeast Europe, with a presence in 8 countries and almost 12 million users, sets the protection of user privacy and data security as a strategic priority. The commitment to this area stems from the awareness that user trust and the integrity of their data are the foundations of sustainable business in the digital age.

Comprehensive documentation on personal data protection is available to all employees on the company's internal portal.

This comprehensive documentation forms the basis of a data privacy management system and reflects a structured and systematic approach to this area. Through these documents, clear procedures have been established for all aspects of data privacy management – from identification and recording of processing actions, to privacy impact assessment, to management of relations with processors and implementation of the privacy by design and default principle.

Telekom Srbija processes user personal data in a legal, fair and transparent manner, in full compliance with the Personal Data Protection Act, relevant regulations and company internal procedures. In this way, user privacy is protected, trust is strengthened and responsibility is shown in data management, which is one of the important elements of Telekom Serbia's ESG strategy.

With the user privacy protection policy, published on the official [corporate website](#), users receive clear and detailed information about the way their data is processed, as well as the rights that belong to them and the ways in which they can exercise those rights. With this approach, Telekom Srbija confirms its commitment to transparency and protection of user data as part of its responsibility towards the community and compliance with the highest standards in the field of privacy protection.

Telekom Srbija processes personal data in a way that ensures a high level of protection, including protection against unauthorized or illegal processing, as well as against accidental loss, destruction or damage, by applying adequate technical, organizational and personnel measures. Cyber security and user data protection are continuously improved through the application of international standards, which ensures a high level of security and reduces the risk of cyber threats, compliance with regulatory requirements,

while advanced detection and remediation mechanisms contribute to the rapid and efficient resolution of security challenges.

Telekom Srbija also uses a developed reporting system and metrics for monitoring the effectiveness of protective mechanisms and quick response to incidents, which further strengthens business resilience and the trust of users, investors and partners. By implementing the ISO 27701 standard, the company improved the existing information security management system, adding a strong focus on privacy protection, with clearly defined responsibilities and processes that ensure transparency in data processing.

The company monitors the following key performance indicators (KPIs):

- The number of non-compliance with the requirements of the ISO 27001 and ISO 27701 standards, with the aim of reducing this number to less than 10 cases per year in the next five years.
- The percentage of justified user complaints about privacy violations in relation to the total number of complaints received, with the aim of reducing it to less than 20% per year within five years.

In addition to technical and organizational measures, Telekom Srbija strategically invests in the development of employee competencies, recognizing them as a key line of defense. Mandatory training in the field of cyber security is conducted for all employees through the "My Learning" platform, while employees who work with sensitive data go through specialized training programs.

User privacy	2024
Number of non-compliances with the standard for information security and user privacy management (ISO 27001 and ISO 27701)	15
The percentage of justified complaints about the violation of user privacy in relation to the total number of complaints received	46%

Telekom Srbija aspires to be recognized as a leader in the field of user privacy protection in the telecommunications sector, setting standards that others follow. The company believes that a high level of data protection is not only a regulatory obligation, but also a competitive advantage and the foundation of user trust, which represents a key value in building long-term relationships with users and partners.

4.7. Socioeconomic compatibility

Telekom Srbija is fully compliant with all relevant laws and regulations in the social and economic field, confirming its commitment to the principles of legality, responsibility and transparency in business.

The company systematically monitors all regulatory requirements, which enables timely identification, assessment and implementation of all obligations in the field of work, protection of employee rights, consumer protection, tax and financial obligations, as well as other obligations arising from the current regulations.

During 2024, there were no recorded cases of non-compliance with the laws and regulations in the social and economic field, which confirms the effectiveness of the internal control system and the timely reaction of all organizational units in recognizing and fulfilling legal obligations.



ANNEXES

I. About the report

This is Telekom Srbija Group's fourth annual ESG report, and the first to be aligned with internationally recognized sustainability reporting standards. Aware of its responsibility towards society and the environment, Telekom Srbija a.d. opted a five-year ESG strategy in 2025 and aligned its sustainability report for 2024 with the Global Reporting Initiative (GRI) standard, clearly defining the direction of development in all ESG areas, taking into account changes in the environment and future challenges.

The 2024 report represents the company's first step towards full transparency, ensuring a high degree of precision and accuracy in the presentation of impact and performance. In situations where the original data were not available, a proven methodology was applied with clear explanations of the calculations used to ensure the reliability and comparability of the data presented.

At this stage, the report covers the operations of Telekom Srbija as the umbrella company of the Group, while the plan is that in the coming years the scope of reporting will be extended to all members of the Group, with the application of the same standard and method of consolidation as for financial reporting, in accordance with the Accounting Law.

In accordance with the commitment to the highest standards of transparency and accountability, the company engaged the independent audit firm Crowe to conduct an **external verification of the ESG report**. This decision reflects the company's aspiration to strengthen the trust of its stakeholders and ensure that the information published is accurate, complete and compliant with GRI standards. External assurance provides an additional level of credibility to a company's ESG data and reporting, confirming compliance with corporate transparency best practices.

The external assurance carried out by Crowe guarantees the credibility and reliability of ESG reports, further strengthening the company's responsibility towards stakeholders and contributing to building trust based on transparent business.

This report is the result of the dedicated work of teams from all organizational units of the company, with the active support of top management, confirming the commitment to the integration of ESG principles in all aspects of business. The company publishes ESG reports once a year, after the publication of the audited financial statements.

This report refers to the reporting year that begins on January 1 and ends on December 31, 2024. The report was published on September 2025.

For all questions and additional information regarding the report, the contact persons are Nataša Obradović, Special Advisor to the Executive Director for the area of economic and legal affairs (natasao@telekom.rs) and Zoran Karić, Environmental Protection Expert (zoranka@telekom.rs). All ESG reports and the accompanying data are available on the company's official website: www.telekomsrbija.com.



II. GRI content index



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2-19	Compensation policy	Basic gross salaries of employees are determined in accordance with the company's internal policy. In addition to the basic salary, all employees can exercise the right to annual bonuses and sales incentives, in accordance with individual performance.
2-20	Compensation determination process	The Telekom Srbija company currently does not have a special compensation policy in place that would be directly related to the achieved results in the field of sustainability.
2-21	Annual ratio of total compensation	The Telekom Srbija company currently does not have a special compensation policy in place that would be directly related to the achieved results in the field of sustainability.
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304-2	Significant impacts of activities, products, and services on biodiversity	
304-3	Habitats protected or restored	
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	
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3-3	Management of material topics	36, 37-38
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305-2	Indirect GHG emissions (Scope 2)	37
305-3	Other indirect GHG emissions (Scope 3)	Currently, Scope 3 emissions are not calculated or reported.
305-4	Intensity of GHG emissions	37
305-5	Reducing GHG emissions	37
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions	38
	WASTE DISPOSAL	
3-3	Management of material topics	36, 41-42
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306-5	Waste designated for disposal	41

GRI	Name	Page
	SUPPLIER ENVIRONMENTAL ASSESSMENT	
3-3	Management of material topics	36
308-1	New suppliers that were screened using environmental criteria	So far, no assessment of the suppliers' environmental impact has been carried out. Telekom Srbija recognizes the importance of this area for improving sustainability in the value chain and plans to further develop mechanisms and methodologies to enable monitoring and evaluation of suppliers' environmental impacts in the future.
308-2	Negative environmental impacts in the supply chain and actions taken	
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	SUPPORT TO THE SOCIAL COMMUNITY	
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413-1	Operations involving local community engagement, impact assessments and development programs	56-58
413-2	Operations with significant actual and potential negative impacts on local communities	58
	SUPPLIER SOCIAL ASSESSMENT	
3-3	Management of material topics	30
414-1	New suppliers that were screened using social criteria	So far, no supplier has been implemented in relation to compliance with the principles of social responsibility. Telekom Srbija recognizes the importance of this area for improving sustainability in the value chain and plans to further develop mechanisms and methodologies to enable monitoring and evaluation of suppliers' social impacts in the future.
414-2	Negative social impacts in the supply chain and actions taken	

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III. Assurance Report





INDEPENDENT LIMITED ASSURANCE REPORT ON TELEKOM SRBIJA ESG REPORT 2024

To the Executive Board of Telekom Srbija a.d.:

We have conducted a limited assurance engagement on the sustainability information of Telekom Srbija a.d. (hereinafter "the Company") as presented in its ESG Report for the year ended December 31, 2024. This engagement, carried out in accordance with the terms of our engagement letter, does not extend to information relating to prior periods or to any other documents beyond the scope of this report.

This independent assurance report has been prepared for the Executive Board of the Company, for the purpose specified in our engagement, and may not be relied upon by any other party. Our work has been undertaken solely to report to the Executive Board on the matters we were engaged to address. To the fullest extent permitted by law, we do not accept or assume any responsibility or liability to anyone other than the Executive Board of the Company for our work, for this report, or for the assurance conclusion.

Limited Assurance Conclusion

Based on the procedures we performed, as outlined in the section "Summary of the Work Performed as the Basis for Our Assurance Conclusion," and the evidence we obtained, nothing has come to our attention that causes us to believe that the sustainability information of the Company for the year ended December 31, 2024, has not been prepared, in all material respects, in accordance with the Global Reporting Initiative Standards (including the latest version of the Universal Standards and the relevant Topic and Sector Standards).

Our limited assurance does not extend to information related to prior periods or to any other documents outside the scope of this engagement.

Assurance Scope

The scope of assurance was determined by the Company in accordance with the materiality approach as defined by GRI. We also reviewed how the Company applied the double materiality principle, assessing whether the process of identifying material Impacts, Risks and Opportunities (IROs) was adequately reflected in the reported disclosures. As the Company's reporting processes mature, the scope of assurance may expand over time. In Serbia, assurance of sustainability-related information is not mandatory. The organisation is therefore able to define the scope and level of assurance to be performed by an independent practitioner.

The extent of evidence-gathering procedures for a "limited assurance" engagement (as set out in ISAE3000 - revised) is inherently less than for a reasonable assurance engagement, and as such, only a limited level of assurance is provided. Our conclusions are based on the proper application of the criteria outlined in the Company's environmental and sustainability reporting methodologies, as aligned with the GRI Standards and the company's internal policies.

The Report may include additional sustainability-related information beyond what is required by the applicable regulations. This information has not been subject to our assurance procedures and, therefore, falls outside the scope of this assurance engagement.

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Telekom Srbija Responsibilities

The management of the Company is responsible for preparing the ESG Report and the information and statements within it. They are responsible for:

- Identifying stakeholders and material topics.
- Selecting or establishing suitable criteria for preparing the Sustainability Information.
- The preparation of the sustainability information in accordance with GRI Standards.
- Designing, implementing, and maintaining internal controls over information relevant to the preparation of the sustainability information that is free from material misstatement, whether due to fraud or error.

Our Responsibilities

Our responsibility is to express our conclusions in relation to the assurance scope as well as:

- Planning and performing the engagement to obtain limited assurance about whether the sustainability information is free from material misstatement, whether due to fraud or error.
- Forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- Reporting our conclusion to the Executive Board of the Company.

Independence and Quality Control

We have complied with the International Code of Ethics for Professional Accountants (including the International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA). This Code is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

In line with ISAE 3000 - revised, the Code requires that both the assurance practitioners and the assurance provider (the firm) maintain independence from the assurance client, including not being involved in the preparation of the Report or any activities that may impair objectivity.

In compliance with the Code, our firm — Crowe RS Advisory d.o.o. — has implemented and maintains a comprehensive system of quality control in accordance with the International Standard on Quality Management (ISQM) 1. This system includes documented policies and procedures to ensure adherence to ethical requirements, professional standards, and applicable legal and regulatory obligations.

Furthermore, our independence from the Company is reviewed on an annual basis to ensure continued compliance and to prevent any potential conflicts of interest.

Summary of the Work Performed as the Basis for our Assurance Conclusion

We committed to plan and performed our work to address the areas where we have identified that a material misstatement of the Sustainability Information is likely to arise.

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The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the Sustainability Information, we:

- Interviewed a selection of the Company's senior managers to understand the status of sustainability activities, and the progress made during the reporting period.
- Reviewed selected group level documents relating to sustainability aspects of the Company's performance to understand the progress made across the organisation and test the coverage of topics within the Report.
- Carried out the following activities to review sustainability data samples and processes:
 - Reviewed disaggregated sustainability data reported by a sample of the Company to assess whether the data had been collected, consolidated and reported accurately.
 - Reviewed and challenged supporting evidence from the sample.
 - Tested whether sustainability data had been collected, consolidated and reported appropriately according to the scope of the report.
- Reviewed the coverage of material issues within the Report against the key sustainability issues derived from the Company's processes for determining material sustainability issues.
- Reviewed information or explanations about selected data, statements and assertions within the Report regarding the Company's sustainability performance.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.



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September 3, 2025

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Telekom Srbija

ESG Report 2024