

Telekom Srbija

2025 ESG Report

Creating Sustainable Value
Through Vision and Responsibility





Letter from our CEO

Development of sustainable and digital eco-system

In 2025, ESG principles became an integral part of the day-to-day operations and long-term strategy of the Telekom Srbija Group. In the second half of the year, we adopted and publicly presented the ESG Strategy 2025–2029, which clearly defines priorities in the areas of environmental protection, social impact, and corporate governance, based on a double materiality assessment and aligned with relevant international reporting standards.

Our strategic environmental priorities include climate change impact mitigation, improvement of energy efficiency, increasing the share of energy from renewable sources, responsible waste management through the application of circular economy principles, as well as the protection of biodiversity and ecosystems.

In the social domain, our focus is on occupational health and safety, employee well-being, diversity and inclusion, support for local communities, ensuring access to telecommunications products and services, and responsibility towards users.

In the area of corporate governance, we emphasize compliance with applicable laws and standards, ethical business conduct, and sustainable procurement practices.

We continued to build on the solid foundation of transparency established through the public disclosure of the ESG Sustainability Report for 2024, which is fully aligned with GRI standards and verified by an independent external audit. Although the report relates to the previous financial year, its publication in October 2025 further strengthened our framework for reporting and managing non-financial performance. In this way, we reaffirmed that transparency represents the cornerstone of trust for all our shareholders and a key driver of long-term progress.

In the field of environmental protection, Telekom Srbija continued throughout 2025 to enhance the management of climate-related impacts through activities focused on energy efficiency and responsible resource use. These activities are based on an environmental management system certified in accordance with ISO 14001:2015 requirements, as well as the Company's long-term commitment to reducing its environmental footprint.

Although we remain at an early stage of establishing a systematic approach to greenhouse gas emissions management, direct emissions and emissions from purchased energy were reduced by 3.9% in 2025 compared to the previous year, representing an encouraging step forward. A carbon footprint report was also published on the corporate website, providing additional information on the applied calculation methodology and the reporting scope.

The Company also continued activities aimed at reducing potential biodiversity-related risks through operational practices and internal training programs. These include acting in accordance with internally defined procedures in cases where potential threats to endangered species are identified, as well as the continued implementation of the long-term project “No Species Dies Alone,” through which Telekom Srbija supports the monitoring and protection of selected key species, such as the griffon vulture, golden eagle, owl, European roller, and large mammal species. These initiatives form part of the Company's broader approach to preserving the natural environment.

In the area of social responsibility, we made targeted investments in education, inclusion, and digital literacy. In 2025, we continued cooperation with schools and community partnerships through projects such as the “mts app Competition” and “Telekom Supporting Talents,” activities marking the International Girls in ICT Day, as well as collaboration with the organization Junior Achievement, thereby directly contributing to the development of digital skills and entrepreneurial spirit among young people.

At the end of the year, at the CSR and ESG Forum 2025, we received valuable awards in the category “Partnership and Community Empowerment” for our long-standing strategic partnership with the Mathematical Grammar School and for our continuous support of the Women’s Basketball Development Movement “Marina Maljković.” These recognitions confirm the continuity, measurability, and impact of our socially responsible programs.

In the area of accessibility and inclusion, we continued to expand network infrastructure and digital services with a focus on affordable and equal access. To date, optical infrastructure has been installed in approximately 1,792,035 households (39,272 km of cables laid and 2.15 million km of optical fibers deployed), and in 2025 we further accelerated investments in resource modernization. These activities directly contribute to reducing the digital divide and strengthening the economic development of local communities.

In the field of corporate governance, in addition to strengthening the GRI framework and climate reporting, we actively participated in regional sustainability dialogue. The Telekom Srbija Group was a silver partner of the ESG Adria Summit 2025 in Tivat, with a focus on the role of digital technologies in sustainable transformation, ranging from responsible artificial intelligence to the future of work and industries. This confirms our view of ESG as a development topic for the entire ecosystem, rather than merely an internal compliance obligation.

At the same time, 2025 marked an important regulatory milestone for Serbia’s digital infrastructure. The auction of radio frequency spectrum and the allocation of licenses for multiple frequency bands, including the 5G band, were successfully completed, accompanied by coverage obligations for previously underserved municipalities. For us, this has a dual ESG significance: the acceleration of more energy efficient, higher capacity networks, and the digital inclusion of municipalities outside major urban centers.

At the level of value chain management, we continue to enhance policies on ethical business conduct, transparency, fair competition, and sustainable procurement, as defined by the ESG Strategy 2025–2029, relying on international frameworks such (the UN Global Compact, the 2030 Agenda, and ISO standards adopted at the Group level). These policies are being embedded into operational practice through procurement process audits, supplier criteria, and compliance monitoring across the supply chain.

Best regards,

Vladimir Lučić
CEO, Telekom Srbija Group

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1. Telekom Srbija Group

An Eco-system of
Sustainable Growth



In 2025, the Telekom Srbija Group continued to operate as an ecosystem of interconnected companies and services that jointly contribute to a sustainable digital future for the region, with a strategic consideration of the economic, social, and environmental factors shaping the telecommunications industry.

In a challenging market environment, characterized by accelerated technological transformation, intense competition, and rising customer expectations, the Group strives to ensure business stability and long-term resilience. At the same time, trends such as service convergence, the rapid development of artificial intelligence, increasing data consumption, and the growing importance of cybersecurity are steering priorities toward responsible development and the reliability of digital services.

The Company's strategic framework, based on the concept of the "strategic house" remains a stable foundation for business direction, further strengthened by a more agile approach to priority management and the enhancement of strategic pillars. This enables proactive adaptation to changes in the industry and regulatory environment, with a focus on sustainable growth models and value creation for customers, communities, and other stakeholders.

Sustainability remains a strategic commitment of the Group, with a significant step forward achieved through the adoption of the ESG Strategy for the period 2025–2029. Reporting is aligned with the GRI standards, alongside strengthened climate management activities through the enhancement of the greenhouse gas (GHG) inventory and more robust management of emissions and energy consumption across the entire system.

In parallel, operational efficiency and financial sustainability were further improved through process optimization and resource management, thereby strengthening the foundations for responsible business conduct and stability in a dynamic environment.

As part of the digital transformation, the development of more advanced digital environments and services continued, with the aim of enhancing customer experience and increasing service accessibility. The modernization of business processes and automation contribute to more efficient resource management, greater transparency of workflows, and quality customer interactions. Digital channels and customer support were further enhanced, including the modernization of contact flows and the introduction of AI chatbots, enabling customers to easily address their requests remotely.



Through a digital ecosystem based on innovation and partnerships, the portfolio of digital security, identity, and online protection services was expanded (including Safe Home Net and ID Alarm), alongside the development of modern payment services and applications.

At the same time, the role of Telekom Srbija in the ICT market was further strengthened, with a continued transition toward the position of a technology partner providing business customers with support in their digital development. The focus was placed on the integration of advanced ICT solutions, strengthening competencies in the field of cybersecurity, and the accelerated development of cloud and managed services. The merger of BeotelNet further increased ICT capacity and the customer base, accompanied by the launch of an analysis of the ICT portfolio and an assessment of the acquired services and customers to ensure more efficient management and integration.

The development of next generation infrastructure remains essential for long term sustainability and digital inclusion. A major milestone was set through the activation of the 5G network, alongside the continued shutdown of 3G technology and spectrum refarming in favor of more advanced mobile services. The expansion of broadband infrastructure in less developed areas continued, with the aim of reducing the digital divide and increasing the availability of optical networks.

In the area of technological and service infrastructure, the API architecture was enhanced through the establishment of an API governance model, while in the data domain the migration to an AWS lakehouse architecture, the consolidation of machine learning environments, and the establishment of initial Data Governance foundations were completed, thereby strengthening the basis for more reliable and responsible data management.

During the year, the presence in diaspora markets intensified through enhancements to the digital offering and preparations for entry into the United States market, expanding the availability of digital services to users outside the domicile market. In the North Macedonia market, an investment cycle and consolidation of acquired services were completed, including the migration of Total TV and Lyca Mobile users, alongside improvements to the offering and the strengthening of digital processes, contributing to more reliable and efficient service delivery in the regional environment.

The year was also marked by acquisitions and consolidations in the regional telecommunications and media markets. Through the acquisition of NetTV Plus, EonSat, and Total TV services, as well as the rights to distribute content from former Sport Klub channels in the region, the Group significantly expanded its presence domestically, regionally, and within the diaspora.

The acquisition of a majority stake in Mondo INC strengthened the Group's position in digital media and content production, while the acquisition of Pulsec enabled further development of cybersecurity capabilities and the establishment of the first national Security Operations Center (SOC), thereby enhancing the protection of users and digital infrastructure.

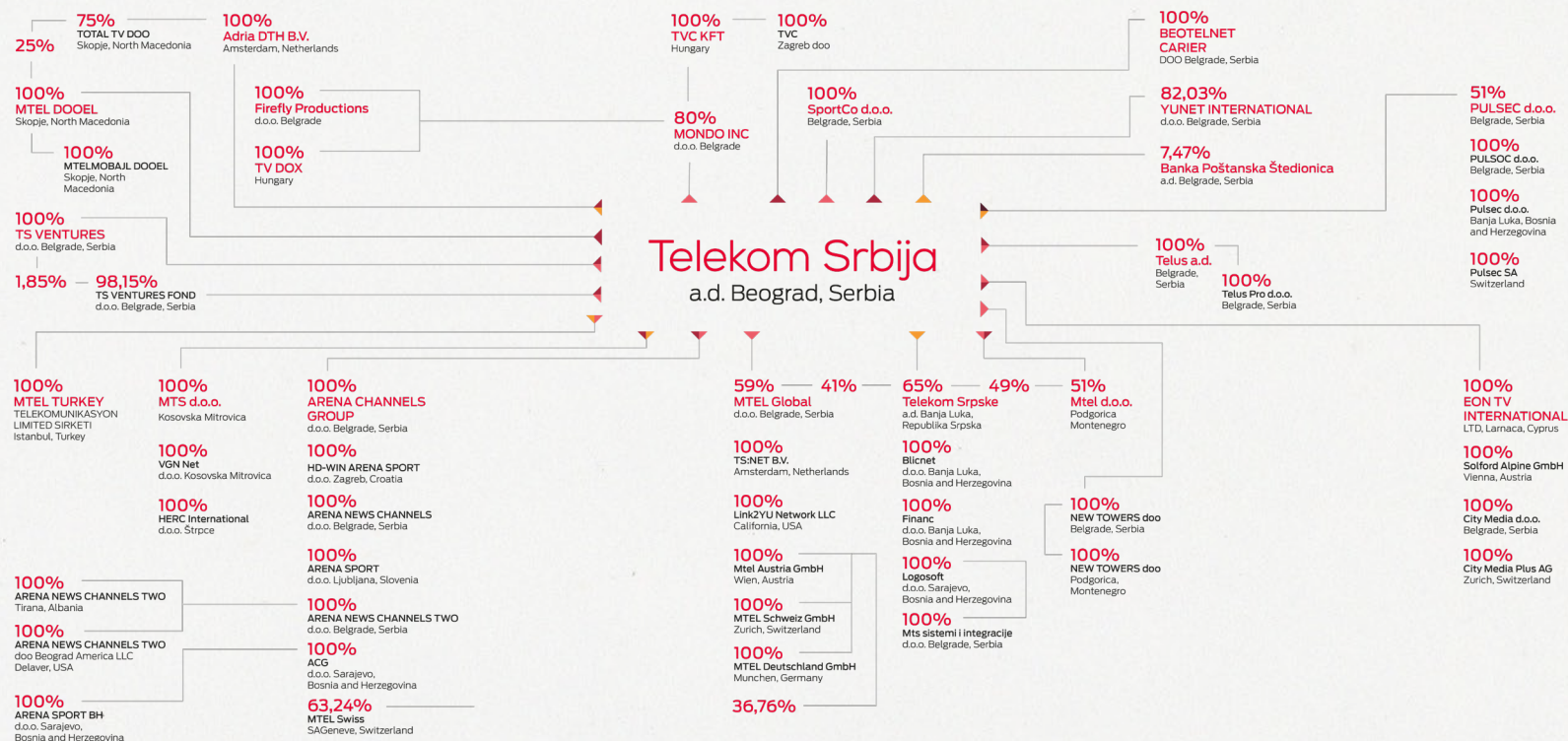
In the content segment, the development of the sports and multimedia portfolio continued, along with improvements to the customer experience through the enrichment of the TV offering and digital catalogs. A particularly important social contribution was achieved through activities aimed at preserving cultural heritage, including the continuation of the "Film Lives" initiative, as well as through the development of in-house production, supporting the availability of local content and the long-term preservation of audiovisual materials.

Within the scope of investments in innovation, the TS Ventures Fund continued its early-stage investment activities and expanded its portfolio to 24 companies, with a focus on solutions with commercial application potential.

In the area of human capital management, organizational capabilities continued to be strengthened through employee development, the enhancement of digital and strategic skills, and the application of agile working approaches. Investments in knowledge, leadership development, talent acquisition, and the preservation of employee engagement contribute to strengthening organizational resilience and supporting long term sustainable development in the period ahead.

Organizational chart

(as of 31 December 2025)



1.1. Telekom Srbija a.d. Beograd – Innovation, Sustainability, Integrations

Telekom Srbija a.d. Beograd is the parent company of the Telekom Srbija Group, providing a broad range of integrated fixed and mobile telephony, internet, multimedia, and digital solutions to several million users across the Western Balkans region, as well as in a number of European countries outside the region. With a leading market position in the mobile and fixed telephony segments in Serbia, the Company represents a key pillar of the telecommunications infrastructure enabling the digital transformation of society and the economy.

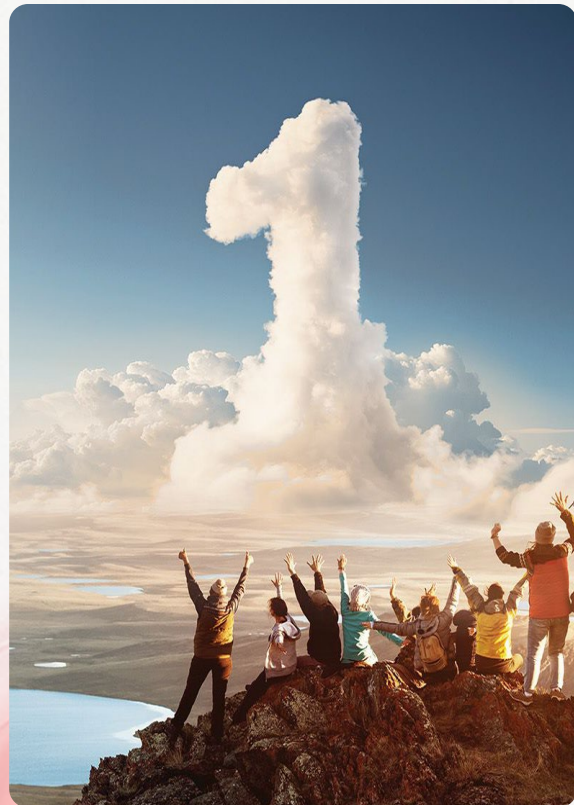
The Company was established on 23 May 1997, during the process of structural transformation of the Serbian PTT system, as a single member joint stock company. As of June, of the same year, following the completion of the ownership transformation, the Company's shares were held by three shareholders: the former Public Enterprise PTT Communications "Srbija," Telecom Italia (through its affiliated entity Stet International Netherlands) and the Greek telecommunications company OTE.

In 1998, Telekom Srbija a.d. Beograd commenced the provision of mobile telephony services, while in 2006 it launched the implementation of 3G technology and ADSL internet services, thereby laying the foundations for advanced digital services and reliable user connectivity.

During 2007, the Company assumed a leading position in the telecommunications sector and initiated expansion into the markets of Bosnia and Herzegovina and Montenegro, thereby shaping the outlines of what would become the Telekom Srbija Group. In the years that followed, the Company successfully adapted to market demands, introduced new services, and built capacities for entry into additional markets.

Today, in addition to its core telecommunications services, Telekom Srbija a.d. Beograd is strongly developing multimedia and digital products, as well as projects aimed at users in the diaspora.

The Company does not have branch offices. An overview of its current ownership structure is available on the website of the Central Securities Depository and Clearing House of the Republic of Serbia.



Telekom Srpske a.d. Banja Luka

Mtel BiH is one of the three incumbent telcos in Bosnia-Herzegovina, operating under the m:tel brand. It owns subsidiaries MTEL d.o.o. Podgorica (49%), MTEL Global d.o.o. Beograd (41%), Logosoft d.o.o. Sarajevo* (owned by MTS sistemi i integracije, Beograd), Blicnet d.o.o. Banja Luka and Financ d.o.o. Banja Luka.

mtel d.o.o. Podgorica

m:tel Podgorica has been present on the Montenegrin market since April 2007 as the third mobile operator. In its ownership structure comprised of Telekom Srbija (51%) and m:tel Banja Luka (49%), from the very start it demonstrates extraordinary agility and capacity to implement the latest technological standards. The company's mobile network was set up within a record time of 77 days, while in 2015 the development of own cable network commenced, in keeping with the vision of digital transformation, as one of the largest greenfield projects in the country. Owing to successful project implementation, the company presently covers more than 90% households in Montenegro by the fastest optical Internet and cutting-edge multimedia services.



ARENA CHANNELS GROUP d.o.o. Beograd

Arena Channels Group is a company operating in the field of cable telecommunications through the "Arena Sport" television channels and holds broadcasting rights for sports content in the territories of Serbia, Bosnia-Herzegovina, Montenegro, North Macedonia, Croatia and Slovenia. It represents a strategic component of the media portfolio of the Telekom Srbija Group, with more than 10 million viewers across the Western Balkans region. Through investments in premium sports content, the Group has secured broadcasting rights to the most prestigious competitions, including the UEFA Champions League, the NBA and Formula 1. By launching the news platforms Euronews Serbia and Bloomberg Adria, Arena Channels Group has further expanded its influence in the regional media market. Its ownership structure includes the following subsidiaries and affiliated entities: HD WIN Arena Sport d.o.o. Zagreb, Arena News Channels d.o.o. Beograd, Arena Sport d.o.o. Ljubljana, Arena News Channels Two d.o.o. Beograd (owned by Arena News Channels Two Belgrade America LLC and Arena News Channels Two Albania), ACG d.o.o. Sarajevo (with direct ownership of Arena Sport BiH d.o.o. Sarajevo), as well as MTEL Swiss SA, Geneva, in which Arena Channels Group holds a 63.24% ownership interest.



YUNET INTERNATIONAL d.o.o. Beograd

YUNET became the first commercial Internet Service Provider in Serbia in 1994, thereby laying the foundations for the development of the internet on the domestic market. At the end of 2023, under conditions of Telekom Srbija's dominant ownership interest, the Company commenced the provision of optical internet services for residential and business customers, reaffirming its commitment to innovation and an advanced approach within the IT market.

Mtel Global d.o.o. Beograd

Mtel Global was established through the consolidation of companies within the Telekom Srbija Group and represents a strategic bridge to the diaspora and international markets, connecting compatriots with their home country through digital services. Through an innovative approach tailored to the needs of the diaspora, the Company introduced service packages combining mobile telephony with access to media content from the region. The concept of joint operations on the global market emerged from the objective of preserving the tradition and culture of our people abroad, resulting in a customer base exceeding 100,000 users across the territories of the European Union, Switzerland, the United States, and Canada. The Company's ownership structure includes Mtel Austria GmbH, Vienna (which holds ownership interests in MTEL Schweiz GmbH, Zurich, MTEL Deutschland GmbH, Munich, and MTEL Swiss SA, Geneva, with a 36.76% share), as well as TS:NET B.V., Amsterdam, and Link2Yu LLC, California, USA.



Telus a.d. Beograd

Telus d.o.o. Beograd, as a provider of facility and property security services as well as business premises hygiene maintenance services, ensures reliable operational support to the parent company, Telekom Srbija a.d. Beograd. In addition to its cooperation with the parent company, Telus is increasingly establishing its presence on the market through the provision of services to external clients, thereby contributing to the diversification of the Group's business activities. With a significant number of employees, the Company actively participates in socially responsible business practices through employment programs targeting vulnerable population groups, including persons with disabilities and long term unemployed individuals, thereby strengthening community capacities and promoting social inclusion. Through its subsidiary Telus Pro d.o.o. Beograd, the Company further expands its operational capacities and enhances the quality of maintenance and security services, supported by continuous investments in employee development and process digitalization, in line with the ESG commitments of the Telekom Srbija Group.



Mts d.o.o.

Mts d.o.o. was established in October 2015. It provides state-of-the-art telecommunications services to several tens of thousands of users in the territory of the Autonomous Province of Kosovo and Metohija, contributing to digital inclusion and the sustainability of Serbian communities.

It holds a full license for fixed telecommunications services and a temporary authorization for mobile telecommunications services. As the founder of VGN Net d.o.o. Kosovska Mitrovica and HERC International d.o.o. Štrpce, the Company further strengthens its role in the development of telecommunications infrastructure and services in the region.

MTEL DOOEL Skoplje

MTEL DOOEL Skoplje, a company established in July 2021 by Telekom Srbija and headquartered in Skoplje, Republic of North Macedonia, has, within only three years of operations, built a significant presence in the North Macedonian market in the field of cable telecommunications. Its ownership structure includes the subsidiaries MTELMOBAJL DOOEL Skoplje and Total TV DOO Skoplje (with a 25% ownership interest, while the remaining 75% is held by Adria DTH B.V., Amsterdam, the Netherlands), thereby further strengthening its operational capacities and position in the regional market.

TS Ventures Fond

TS VENTURES d.o.o. Beograd

TS Ventures d.o.o. Beograd, as company for alternative investment fund management, was established in August 2021 by Telekom Srbija as its sole founder and the holder of a 100% ownership interest in the share capital. The Company represents a key instrument of the Group in the development of the startup ecosystem in Serbia and the wider region, creating a link between the corporate sector and innovative entrepreneurial initiatives.

Through the management of investments of the Alternative Investment Venture Capital Fund – TS Ventures Fund d.o.o. Beograd, the Company enables Telekom Srbija to gain access to new technologies and solutions, thereby strengthening the service portfolio and further consolidating the Company's market position.

TS VENTURES FOND d.o.o. Beograd

TS Ventures Fund d.o.o. Beograd, the first official venture capital fund in the Republic of Serbia established in accordance with the Law on Alternative Investment Funds and, at the same time, the first corporate fund of this type in the region, is focused on investments in startups and innovative entrepreneurs at an early stage of development with the potential for rapid global growth. In addition to financial support, the Fund provides mentorship, access to technological infrastructure and sales channels, as well as the opportunity to pilot their solutions within the Telekom Srbija Group, thereby fostering innovation development and strengthening market competitiveness.

MTEL TURKEY TELEKOMÜNİKASYON LİMİTED ŞİRKETİ, İstanbul

Mtel Turkey was established in 2023 by Telekom Srbija and is headquartered in Istanbul. It represents the youngest member of the Group and a strategic expansion into a market of 85 million inhabitants, with a significant diaspora originating from the region. In its first year of operations, the Company established partnerships with leading Turkish telecommunications and media companies and launched a dedicated OTT platform providing access to media content from the Western Balkans.



PULSEC DOO BEOGRAD

Pulsec d.o.o. Beograd is a regional leader in the field of cybersecurity, with centers in Serbia, Bosnia-Herzegovina and Switzerland. Telekom Srbija a.d. Beograd holds a 51% ownership interest in its share capital. Through the integration of Pulsec, Telekom Srbija a.d. Beograd strengthens its portfolio of ICT and cybersecurity services. Pulsec operates through its subsidiaries Pulsec d.o.o. Beograd, Pulsec d.o.o. Banja Luka, Bosnia and Herzegovina and Pulsec SA, Switzerland.

Eon TV International Ltd Larnaka Kipar

EON TV International Ltd is the operating entity of the NET TV Plus service, the largest OTT platform serving users from the diaspora. Following its acquisition, EON TV International Ltd was integrated into the multimedia system of the Telekom Srbija Group, accompanied by an expansion of the programming portfolio to a total of 362 television channels, including Arena Sport, Superstar TV, RTS channels, and other regional broadcasters. The Company's operations encompass the distribution of television content, video on demand (VoD) services, and the provision of technological support to users across Europe and worldwide, as well as integration with MTEL mobile services in selected markets. EON TV International Ltd, Larnaca, Cyprus, holds ownership interests in Solford Alpine GmbH, Vienna, Austria, City Media d.o.o. Beograd, and City Media Plus AG, Zurich, Switzerland.



BEOTELNET-CARRIER doo Beograd

Following the implementation of the statutory merger of the company BEOTELNET – ISP D.O.O. BEOGRAD, Telekom Srbija acquired a 100% ownership interest in the share capital of BEOTELNET – CARRIER d.o.o. Beograd, which had previously been a subsidiary of BEOTELNET – ISP D.O.O BEOGRAD.

NEW TOWERS d.o.o. Beograd

For the purpose of continuing the implementation of the separation of passive infrastructure into dedicated companies, Telekom Srbija a.d. Beograd established a new company, NEW TOWERS d.o.o. Beograd, which owns the company NEW TOWERS DOO Podgorica.

Adria DTH B.V. Amsterdam, the Netherlands

Adria DTH B.V., Amsterdam is a company wholly owned (100%) by Telekom Srbija a.d. Beograd, engaged in the provision of media content distribution services via a satellite DTH television network. Following the completion of the acquisition of the Total TV platform in April 2025, all users of this service were fully integrated into the Telekom Srbija Group's system and offering, under a unified technical and programming framework identical to the m:SAT TV service.



MONDO INC doo Beograd

Mondo INC d.o.o. Beograd is a leading media company in the region in the field of digital transformation, whose core business activities include the acquisition of rights and the distribution of audiovisual products. Telekom Srbija a.d. Beograd holds an 80% ownership interest in the share capital of Mondo INC d.o.o. Beograd. The Company owns the following entities: TV DOX, Hungary; TVC KFT, Hungary, which in turn owns TVC Zagreb d.o.o.; as well as Firefly Productions d.o.o. Beograd.

SportCo d.o.o. Beograd

SportCo d.o.o. Beograd is a company owned by Telekom Srbija a.d. Beograd, acquired as part of the transaction involving the acquisition of assets of United Group, encompassing rights, licenses, and technical resources related to the broadcasting of sports content in the Western Balkans region. The Company is responsible for the management of sports media rights and the distribution of sports television channels, including content previously broadcast via the Sport Klub channels. Through the integration of SportCo into the Group, Telekom Srbija a.d. Beograd has significantly expanded its sports portfolio and strengthened its leading position in the field of multimedia and sports content across the markets of Serbia, Montenegro, Bosnia and Herzegovina, and North Macedonia.

1.2. Corporate Governance

Telekom Srbija a.d. Beograd continuously enhances its institutional and legal framework of corporate governance through the implementation of the Corporate Governance Code, which clearly defines shareholders' rights, the responsibilities and competencies of governing bodies, remuneration policies, business transparency, public communication, information disclosure, and business ethics, while integrating sustainability principles that further strengthen the Company's social and environmental responsibility.

The Code is based on internationally recognized OECD standards, thereby ensuring a high level of professionalism across all members of the Company's corporate bodies and employees. The Supervisory Board plays a key role in the implementation and interpretation of the Code, monitoring compliance with the adopted principles and overseeing its continuous development in line with best practices.

During the reporting period, an assessment of alignment with contemporary international standards was conducted, confirming that the Code encompasses ESG responsibilities, risk management, and stakeholder engagement in the decision-making process.

Telekom Srbija is a member of the UN Global Compact in Serbia and a signatory to the Anti Corruption Declaration, reaffirming its commitment to align its operations with universal principles related to human rights, labour standards, environmental protection, and anti corruption, which it transparently reports on through its annual ESG report.

In order to ensure effective governance of the entire corporate ecosystem within the Group, starting in 2024 the Company launched a process of introducing and continuously improving an integrated corporate governance system, based on the harmonization of policies and procedures, efficient information exchange, and a coordinated risk management approach. This ensures the consistent application of high corporate governance standards across all subsidiaries, both domestically and internationally, while respecting the legal and corporate specificities of the jurisdictions in which they operate.



1.3. Structure, Composition and Role of Corporate Governance Bodies

Telekom Srbija operates in accordance with contemporary corporate governance principles that ensure the Company's long-term stability and sustainable growth. Its internal organizational structure is aligned with the applicable legal framework and internal regulations, with clearly defined responsibilities of the General Meeting, the Supervisory Board, and the Executive Board.

The implementation of a two tier governance model enables a clear separation between the supervisory function exercised by the Supervisory Board and the executive management conducted by the Executive Board, thereby ensuring an effective system of checks and balances in decision-making.

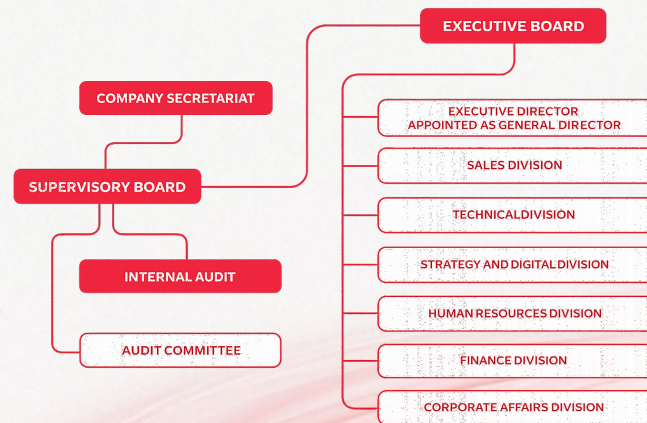
In addition to the core governing bodies, the governance system includes specialized functions – namely, the Audit Committee, Internal Audit, and the Secretariat – which provide professional support and ensure the consistent application of internal policies and procedures. This governance framework functions as a dynamic mechanism that supports the achievement of strategic objectives, the alignment of the interests of all stakeholders, and effective communication between the executive and supervisory functions.

In this manner, the Company continuously strengthens its resilience while enhancing transparency and accountability, which are essential for sustainable development and for building trust among investors, customers, and business partners.

Among other measures, the Company applies a Diversity Policy with respect to membership in its corporate bodies – the Supervisory Board and the Executive Board. The Policy provides guidance for establishing and implementing diversity management practices in relation to the composition of the Company's governing bodies. The objective of the Diversity Policy is to enhance the effectiveness of the Company's corporate bodies and to ensure equal opportunities for the presentation of diverse perspectives, thereby demonstrating the Company's commitment to considering various aspects of diversity in the composition of its corporate bodies.

Through the implementation of the Diversity Policy, the Company ensures complementary skills and diversity within its corporate bodies, taking into account the representation of all relevant aspects of diversity that contribute to qualitative improvements in decision making and corporate governance. These principles are essential for sustainable business operations and provide a solid foundation for the Company's continued development.

Corporate Bodies' Structure



1.3.1. General Meeting

The General Meeting of Telekom Srbija a.d. Belgrade is composed of all shareholders of the Company. The Company's share capital consists of one billion ordinary shares with no nominal value. All shares belong to a single class and carry equal voting rights – each share entitles its holder to one vote – thereby ensuring equal participation of all shareholders in decision making related to the Company's strategic development. It should be noted that the Company holds 20% of its treasury shares which, in accordance with applicable regulations, do not confer voting rights or dividend entitlements.

The operation of the General Meeting is governed by the Rules of Procedure, which are publicly available to all shareholders and interested parties, and which precisely define the rules governing the work of this corporate body in accordance with the Law on Companies and the Company's Articles of Association. An ordinary session of the General Meeting is held once a year, no later than six months following the end of the financial year, while extraordinary sessions are convened as needed, in compliance with statutory and corporate provisions.

Particular emphasis in the work of the General Meeting is placed on the equal treatment of shareholders and the protection of minority shareholders' rights, thereby reaffirming Telekom Srbija's commitment to the principles of transparent and responsible corporate governance.

Transparent communication with shareholders and investors

The Company ensures that shareholders and investors are provided with accurate, complete, and timely information through a dedicated section on its official website, where notices and materials for General Meeting sessions, adopted decisions, relevant documentation, and information essential for the exercise of shareholders' rights are regularly published.

Communication with the public is based on the principles of truthfulness, accuracy, timeliness, and equal access to information, thereby strengthening the confidence of shareholders, investors, customers, suppliers, regulatory authorities, and the wider community in the Company's operations. Telekom Srbija consistently discloses all facts that may affect shareholders' rights, with particular emphasis on the protection of minority shareholders, who represent approximately one fifth of the Company's total shareholder structure.

In accordance with domestic legislation and international standards, minority shareholders are afforded the same rights as the majority shareholder, including the right to propose agenda items, submit questions, and receive timely and comprehensive responses. Through this approach, the Company reaffirms its commitment to transparency and the equitable treatment of all shareholders. Recognizing the growing needs of the investment community, the Company has further strengthened its communication capacities.

In addition to the Company Secretariat, which is responsible for ensuring corporate compliance, a dedicated Investor Relations Section has been established within the Treasury Department. This organizational enhancement aims to improve the quality of dialogue with financial markets, enable faster responses to investor inquiries, and ensure that information on the Company's financial performance and ESG objectives is communicated clearly and precisely.

As confirmation of the Company's strategic direction, Telekom Srbija received two prestigious awards at the Global Banking & Markets Awards: CEE, Central Asia & Türkiye 2025 conference, held in Istanbul in November. In competition before 1,085 delegates from 38 countries, the Company was recognized in the following categories:

- SOE Deal of the Year;
- Capital Markets Deal of the Year.

Through the issuance of corporate bonds (Eurobonds) in the amount of USD 900 million, the Company attracted the attention of leading global investors, with demand significantly exceeding the offered volume. This transaction was accompanied by several pioneering achievements in the region:

- First hedging arrangement: the first currency risk hedging transaction executed by a corporation from the Western Balkans;
- International credit rating: Telekom Srbija became the first company in the region to obtain ratings from globally recognized credit rating agencies.

The transaction was led by leading global financial institutions – Bank of America, BNP Paribas, Deutsche Bank, Erste Group, MUFG Securities, Raiffeisen Bank, and UniCredit – further reinforcing the Company's international credibility.

Through this approach, Telekom Srbija a.d. Beograd reaffirms its proactive commitment to the protection of shareholders' rights and continues to foster a corporate culture founded on transparency, accountability, and trust.

1.3.2. Supervisory Board

The Supervisory Board of Telekom Srbija a.d. Belgrade consists of seven members, including one independent member, in accordance with the Law on Companies. Its composition is determined with due consideration of the size of the Company, required expertise, gender balance, and the complexity of its operations.

The Company does not have an Appointment Committee; members of the Supervisory Board are elected by the General Meeting, upon proposals submitted by shareholders, by a simple majority of votes of shareholders present or represented at the meeting, including votes submitted in writing. In line with the current ownership structure, the Republic of Serbia, as the majority shareholder, proposes candidates, taking into account their professional qualifications, experience, and the avoidance of conflicts of interest. The tenure of Supervisory Board members is four years, and appointments are also made in accordance with diversity criteria, including gender, age, professional experience, and occupational background.

The Chair of the Supervisory Board is elected by the Board members by a majority vote, upon proposal of the controlling shareholder. The position is currently held by Professor Milan Božić, PhD, who does not perform any executive functions within the Company, thereby further emphasizing the independence of the supervisory body. His role includes setting the agenda, ensuring the provision of relevant information, and encouraging open and constructive discussion.

The two-tier governance model clearly separates the supervisory functions of the Supervisory Board from executive functions, and therefore members of the Supervisory Board may not simultaneously serve as executive directors or hold powers of attorney. As at the end of the reporting period, the Supervisory Board comprised the following members: Professor Milan Božić, PhD (Chair), Ninoslav Prodanović, Pavle Milić, Miroslav Joksimović, Strahinja Paravina, Marina Zdravković and Dejan Latinović. This structure ensures a balanced combination of expertise in telecommunications, finance, law, digital technologies, and strategic management, enabling a comprehensive approach to complex business challenges.

In accordance with the Law and the Company's Articles of Association, the Supervisory Board defines the Company's business strategy and objectives, monitors their implementation, supervises the work of executive directors, and reviews reports submitted by the Executive Board, while reporting on its own activities to shareholders at the General Meeting.

The Rules of Procedure of the Supervisory Board regulate in detail decision making procedures, deadlines for the submission of materials, the keeping of minutes, the provision of information to Board members, and the induction of new members regarding their duties and responsibilities. Remuneration of Supervisory Board members is determined by the General Meeting, based on benchmarking against practices of relevant peer companies in the sector, taking into account the complexity of operations and the level of responsibility associated with the function.

Within its remit, the Supervisory Board has established an Audit Committee consisting of five members, including the Chair. The Committee is accountable to the Supervisory Board and submits reports at least once a year or upon request. Its responsibilities include proposing the appointment and dismissal of Internal Audit managers, as well as overseeing their work. Members of the Audit Committee are appointed by the Supervisory Board for a term of two years, corresponding to half of the Supervisory Board's mandate. The majority of Committee members are Supervisory Board members, including at least one independent member with relevant financial and accounting expertise, while the remaining members may be Company employees or external experts with appropriate qualifications.

1.3.3. Executive Board

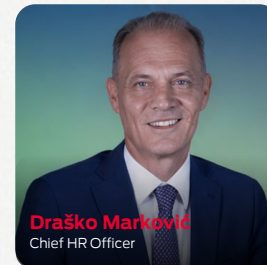
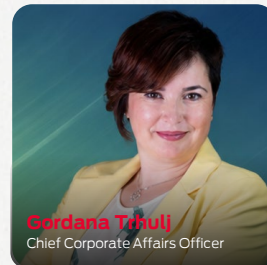
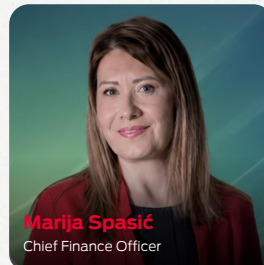
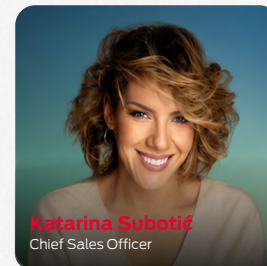
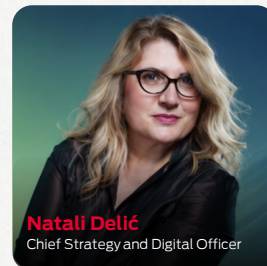
The Executive Board of Telekom Srbija a.d. Beograd comprises seven members – executive directors appointed by the Supervisory Board. One member is granted authority to represent the Company and is appointed Chief Executive Officer (CEO), responsible for coordinating the work of the Executive Board and overseeing the organization of the Company's business operations.

This role is held by Vladimir Lučić. The remaining members are: Đorđe Marović, Chief Technical Officer; Katarina Subotić, Chief Sales Officer; Marija Spasić, Chief Financial Officer; Gordana Trhulj, Chief Corporate Officer; Draško Marković, Chief Human Resources Officer; and Natali Delić, Chief Strategy and Digital Officer.

In accordance with the Law on Companies and the Company's Articles of Association, the Executive Board manages the Company's business operations, defines and regulates its internal organization, is responsible for the accuracy and integrity of financial statements and accounting records, prepares General Meeting sessions, and proposes agenda items to the Supervisory Board.

The composition, authorities, responsibilities, and operating procedures of the Executive Board are regulated in detail by its Rules of Procedure. As a collective body, the Executive Board is responsible for implementing the Group's strategy and achieving its strategic and operational objectives.

The composition of the Executive Board reflects the Company's strong commitment to gender equality, with women accounting for 57% of its members, exceeding the average level of female representation within the regional telecommunications sector. Executive Board members possess a high level of professional expertise and extensive managerial experience, enabling effective leadership and decision making in a dynamic and complex business environment.



1.3.4. Secretary

The Company has a Secretary appointed by the Supervisory Board. In addition to the authorities prescribed by law, the Secretary is responsible for organizing meetings and keeping minutes of the corporate bodies, as well as for maintaining communication with shareholders.

The Secretary's duties include ensuring access to acts and documents in accordance with applicable legislation, coordinating corporate legal practices within the Company and its subsidiaries, and aligning activities relevant to all aspects of the corporate legal segment of operations. The role of the Secretary is essential to the seamless functioning of the corporate governance framework, as it ensures the consistent application of procedures, the timely provision of information to the members of the governing bodies, and effective communication among various corporate bodies.

Furthermore, the Secretary plays a crucial part in maintaining transparent and reliable communication with shareholders and investors, safeguarding their rights and enabling access to all relevant information regarding the Company's operations, within the limits permitted by law.

1.3.5. Internal audit

The Company's Internal Audit function reports to the Company's Supervisory Board, which, in accordance with the Companies Act, has established an Audit Committee. Internal Audit submits its annual activity reports to the Audit Committee, as well as a separate annual questionnaire to the Ministry of Finance.

The detailed manner and procedure for conducting internal audit activities are governed by the Global Internal Audit Standards, the internal corporate act (Methodological Framework for Internal Audit Operations), as well as other internal guidelines and procedures adopted by the Director of Internal Audit.

Internal Audit plays a pivotal role within the system of internal controls and risk management, performing its activities in accordance with the definition of internal auditing, as well as the Company's needs and requirements. Through a systematic and disciplined approach, it evaluates and enhances the effectiveness of the Company's risk management, control, and corporate governance processes.

In 2025, Internal Audit applied a systematic, risk based approach, carrying out 28 comprehensive audit engagements that covered key areas of the Company's operations:

- Corporate processes;
- Technology and network;
- Information systems (IT audit);
- Commercial services and operations.

For each audit performed, reports were issued containing specific recommendations aimed at enhancing the system of internal controls and improving process efficiency. A rigorous recommendation tracking mechanism (Follow up) has been established, with regular reporting to the Audit Committee, thereby ensuring that management addresses the identified risks in a timely manner.

The year 2025 represented a pivotal milestone in the modernization of the Internal Audit function, with a strong focus on alignment with the new Global Internal Audit Standards (effective as of 9 January 2025). Key methodological documents were revised, ensuring the quality and integrity of Internal Audit operations in full compliance with the new global requirements.

In addition to its traditional assurance activities, Internal Audit expanded its influence in 2025 by acting as a strategic advisor (Trusted Advisor) within several cross functional teams, thereby providing added value and supporting the achievement of the Company's strategic objectives.



1.4. Joint expertise and decision-making

The governance structure of Telekom Srbija is grounded in the synergy between the Supervisory Board and the Executive Board, whose members bring diverse experience, leadership capabilities, and specialized expertise. The composition of the Company's governing bodies reflects a balanced combination of technical proficiency and commitment to sustainable development. Each member contributes a unique blend of professional knowledge and strategic insight, while their collective work ensures the stability of the business model and the Company's ability to respond to the challenges of a dynamic market environment, all while preserving long term business sustainability.

The collective expertise of these bodies encompasses key areas such as the development of market strategies and enhancement of customer experience; digitalization and innovation in network infrastructure; responsible financial management and planning; legal and logistics processes based on ethics and transparency; strategic development of digital services; human resources management with a focus on attracting and developing talent; as well as the creation of multimedia content aimed at strengthening user engagement. In this manner, material impacts, risks, and opportunities are managed effectively, fully aligned with the Company's long term interests and the expectations of all relevant stakeholders, including shareholders, employees, and the broader community.

The continuous development of the competencies of the members of the Supervisory Board and the Executive Board is ensured through the ESG Strategy for the 2025–2029 period, which provides for ongoing executive education in the areas of ethics and ESG standards, with the aim of supporting high quality strategic decision making and strengthening corporate governance. In this manner, Telekom Srbija consistently applies the principles of sustainable and responsible business conduct, preserving value for shareholders while simultaneously contributing to positive impacts on society and the environment.

1.5. Assessment of the governance bodies' activities

Within its statutory authorities and competencies, the Supervisory Board of the Company prepares and adopts the Company's Annual Business Report, as well as the report on the oversight of the work of the Executive Board, which it subsequently submits to the General Meeting for consideration and adoption. In performing its oversight role, the Supervisory Board monitors and evaluates the work of the Executive Board, including activities related to sustainable development and the Company's relationship with the community, thereby contributing to the improvement and achievement of the Company's sustainability objectives.

Although an external, independent evaluation process assessing the performance of the highest governance bodies specifically in the area of oversight of economic, environmental, and social impacts has not yet been established, the regular reporting to regulators and investors, as well as the intensive exchange of views between the Supervisory Board and the Executive Board, ensures a relevant level of performance assessment fully aligned with the principles of good corporate governance.

The Company is continuously working on enhancing its corporate practices and is considering the introduction of an independent and clearly defined process for evaluating the performance of the highest governance bodies in the area of ESG matters. The intended objective of these activities is the further improvement of the governance system, the strengthening of accountability towards society, the environment, and the economy, as well as the enhancement of transparency in relations with all relevant stakeholders.



1.6. Compliance and integrity of business operations

Telekom Srbija operates in a complex and highly regulated environment, where compliance with laws, regulations, and regulatory requirements represents a fundamental principle of responsible and sustainable business conduct.

The compliance management system is based on the continuous monitoring of changes in the regulatory framework, the assessment of their impact on operations, and the timely adjustment of internal procedures. This approach ensures the consistent fulfillment of obligations, the reduction of regulatory risks, and the preservation of trust among key stakeholders.

The effectiveness of internal processes is evidenced by the fact that, during 2025, no significant monetary fines or non monetary sanctions were recorded for non compliance with laws and regulations. This is the result of the dedicated work of the Company Secretariat, Internal Audit, the Legal Affairs Department, and the Regulatory Legal Affairs Department, as well as the Finance Division in the area of tax compliance and the Human Resources Division in the area of labor legislation.

Special attention is directed toward areas essential for sustainable operations, including environmental protection, competition protection, and personal data protection. Through this model, the Company further strengthens its resilience to regulatory and ESG risks and contributes to the achievement of the United Nations 2030 Agenda objectives.

1.6.1. Code of Corporate Conduct

The Code of Corporate Conduct represents the foundation of business ethics and regulates the key segments of the Company's operations: the prevention of conflicts of interest, anti corruption measures, anti money laundering controls, compliance with competition rules, environmental protection, and the prohibition of discrimination.

The internal mechanisms that support the application of ethical principles are continuously being enhanced, particularly in the areas of business oversight, the planning process, and the implementation of strategic objectives. The consistent application of these standards reinforces the integrity of the corporate governance system and contributes to the Company's sustainable business performance in accordance with ESG principles.

1.6.2. Policy of Responsible Business

Telekom Srbija has developed an integrated approach to managing the principles of responsible business conduct, applied at all organizational levels, from strategic decision making to operational activities. This model goes beyond formal regulatory requirements and is grounded in ethics, transparency, and sustainability.

The foundation of the system consists of interconnected documents and mechanisms:

- ESG Strategy 2025–2029 – defines measurable objectives and integrates them into business processes.
- Integrity Plan – identifies high risk processes and sets out mitigation measures; publicly available.
- Code of Corporate Conduct – updated in 2022, provides guidance to employees.
- Internal Control System – enables the implementation of policies and procedures.
- Mandatory “Ethics and Integrity” training – required for all employees.

In addition, the system is further strengthened through the Environmental Policy, the Risk Management Guidelines, and the Personal Data Protection Policy.

In 2025, audits were conducted, among other things, on the implementation of the Law on Occupational Safety and Health, the management of the digital customer experience, customer care activities in the Kragujevac region, and the processes related to career development and the retention of key resources.

1.6.3. Risk and negative impact management processes

Telekom Srbija applies a systematic approach to identifying, preventing, and mitigating negative impacts on society, the environment, and the business environment.

The Integrity Plan defines high risk processes in the areas of ethics, human resources, finance, procurement, and IT security, together with preventive measures and mechanisms for preventing conflicts of interest. Internal control mechanisms and Internal Audit activities assess the effectiveness of processes, the reliability of reporting, and compliance with applicable standards. Special attention is paid to the security of information systems and to supporting business processes through IT infrastructure.

The mitigation of negative impacts is carried out through a combination of immediate measures, investigations, and corrective actions, accompanied by continuous process evaluation and communication with customers and other stakeholders.

The results of the independent mobile network quality assessment (NET CHECK, December 2025) confirmed that mts is the best mobile network in Serbia, which demonstrates the effectiveness of the applied processes and the strategic development of infrastructure and the customer experience.

1.6.4. Ethical framework and employee support

Telekom Srbija applies an ethical governance system based on clearly defined mechanisms for resolving ethical dilemmas, reporting irregularities, and implementing guidelines aimed at preserving integrity and strengthening trust both within the Company and among external stakeholders.

The Company's ethical framework encompasses the Corporate Code of Conduct, the Integrity Plan, and accompanying internal procedures regulating conflicts of interest, professional responsibility, and anti corruption principles. These documents are regularly updated and made available to employees through the internal portal.

The ethical culture is further reinforced through the "Ethics and Integrity" training, continuous employee education, and the availability of the Integrity Coordinator, who provides guidance on ethical dilemmas and receives reports on potential irregularities, ensuring strict discretion and confidentiality.

This approach enables the efficient resolution of ethical issues and strengthens trust within the Company and among relevant stakeholders.



1.6.5. Culture of ethics and protection of whistleblowers

Telekom Srbija fosters an ethical environment in which employees and external parties can report potential irregularities or unethical conduct without fear of retaliation.

All reports are reviewed with full respect for confidentiality, and the identity of the reporting individual is protected in accordance with applicable regulations and the Company's internal acts, including:

- Decision on the appointment of the person responsible for receiving information and conducting procedures related to whistleblowing
- Decision on the appointment of the authorized person for initiating procedures for protection against workplace harassment
- Rulebook on the internal whistleblowing procedure.

Internal Audit has prepared a draft framework for irregularity management, which will be formally adopted in 2026 with the aim of further strengthening employee education and preventive activities within the Company.

Telekom Srbija conducts impartial investigations and reports the outcomes transparently to the Audit Committee.

1.6.6. Conflict of interest management

The Company's conflict of interest prevention policies are based on clearly defined internal procedures, the Code of Conduct, and the Corporate Governance Code. Employees and members of the governing bodies are required to make decisions in the best interest of the Company, avoiding situations that may create an actual or perceived conflict of interest, including any potential benefit for family members, friends, or business partners.

Risk identification is carried out in a timely manner, and relevant managers are informed of all significant cases in order to preserve professional integrity and ensure transparency. The Supervisory Board and the Company's internal organizational structures oversee the implementation of these policies. No significant incidents were recorded during 2025, which confirms the high level of employee awareness and the effectiveness of the existing procedures.



1.6.7. Anticorruption measures and prevention

The Company strictly prohibits corruption and bribery and undertakes all necessary measures through internal controls, daily operational practices, and continuous training. Employees are required to refrain from giving or receiving gifts, benefits, or advantages that could compromise objectivity or create a sense of obligation, except for protocol related and symbolic gifts permitted under applicable laws and best practices.

The "Ethics and Integrity" training has been delivered to all defined categories of employees, in accordance with legal requirements and the recommendations of the Anti Corruption Agency. This strengthens integrity, accountability, and transparency in business operations, while simultaneously reinforcing the trust of all stakeholders.

1.6.8. Business activities and assessment of corruption risks

Integrity and corruption prevention represent fundamental principles of Telekom Srbija's business conduct. The risk assessment system and the Integrity Plan provide daily protection for employees, business processes, and the wider community.

The Integrity Plan, developed in accordance with the Law on the Prevention of Corruption and the recommendations of the Anti Corruption Agency, functions as a key tool for identifying and mitigating potential risks. Maintaining trust, integrity, and transparency is equally important as investing in technology and innovation, enabling the Company to remain a reliable partner to the community, customers, and investors.

1.6.9. Corruption cases and appropriate measures

Telekom Srbija enforces a zero-tolerance policy toward corruption and unethical conduct. During 2025, no reports or confirmed cases of corruption were recorded through internal channels for reporting irregularities, nor were any disciplinary measures or legal proceedings initiated.

Although the relevant regulations (the Law on the Prevention of Corruption) have not been amended since February 2022, the Company has continued to proactively strengthen its anti corruption mechanisms.

The third cycle of the Integrity Plan, which includes a self assessment of corruption risks and the definition of measures for their mitigation, was successfully completed. Telekom Srbija submitted its report to the Anti Corruption Agency in a timely manner and actively implements the recommended improvements and measures, transforming high risk processes into opportunities for enhancement.

Additionally, the Company contributes to strengthening anti corruption practices at the institutional and societal levels. It participated in the event "Business with Integrity: The Path to Responsible Governance." In parallel, preparations for the fourth cycle of the Integrity Plan are underway, involving further risk assessments and the improvement of existing mechanisms, thereby reaffirming the Company's commitment to building a resilient, ethical, and responsible business environment.

1.6.10. Training and communication on anti-corruption

Anti-corruption policies and procedures are available to all employees through the internal portal, including the Code of Corporate Conduct and the ethics and integrity guidelines.

By continuously strengthening its protection mechanisms, Telekom Srbija further enhanced its activities in 2025 within the awareness raising campaign on whistleblower protection, launched in the autumn of 2024.

This ensures a high level of transparency and clear employee awareness of the available protection mechanisms and avenues for reporting irregularities.

In accordance with the Law on the Prevention of Corruption, the Company provides mandatory "Ethics and Integrity" training for employees and managers, covering key topics related to corruption prevention, conflicts of interest, ethical conduct, and mechanisms for reporting irregularities. The Company maintains regular records of completed trainings and reports to the Anti Corruption Agency, while continuously improving the training program to further strengthen integrity and business compliance.

As a signatory to the Declaration on the Fight against Corruption within the UN Global Compact, the Company consistently promotes ethical principles and collective responsibility, contributing to a transparent business environment.

1.6.11. Compliance with competition rules

Telekom Srbija recognizes the importance of competition protection for market development and the safeguarding of customer interests, and consistently applies all relevant regulations in this area, ensuring lawful and fair market conduct.

The Company bases its market positioning on the quality of its services and the competitiveness of its offerings, while maintaining professional and transparent relations with other market participants, in accordance with the principles of free and fair competition.

1.6.12. Privacy and data protection

The area of personal data protection is regulated through internal acts and procedures based on the applicable legislative framework. Data processing is carried out in accordance with the principles of lawfulness, transparency, and data minimization, as well as through the assessment of risks to the rights and freedoms of individuals.

The Company continuously enhances its technical and organizational measures for data protection, as well as employee awareness regarding the responsible handling of personal data. This ensures a high level of compliance and security across all business processes.

1.6.13. Non-discrimination policy

The Company prohibits any unjustified differentiation or unequal treatment, including exclusion, restriction, or the granting of advantage, whether explicit or implicit.

Discrimination on the grounds of race, color, origin, citizenship, national or ethnic affiliation, language, religious or political beliefs, sex, gender identity, sexual orientation, property status, genetic characteristics, health condition, disability, marital and family status, age, physical appearance, prior convictions, membership in organizations, or any other personal characteristic is strictly forbidden.

Telekom Srbija actively promotes diversity and inclusion, creating an environment in which differences are valued and respected.

1.6.14. Integrity plan

In accordance with the Law on the Prevention of Corruption, Telekom Srbija has adopted the Integrity Plan and submitted it to the Anti Corruption Agency. This document represents a key strategic and operational tool for managing corruption risks, based on a systematic self assessment, the determination of exposure levels, and the definition of targeted preventive measures.

The purpose of the Plan is to identify processes susceptible to high corruption risks and other irregularities, assess their intensity, and define effective measures for their prevention. In this way, the Company strengthens corporate accountability, transparency in decision making, and ethical standards across all segments of its operations.

Through the implementation of the Integrity Plan, Telekom Srbija eliminates inefficient practices, introduces oversight and compliance control with legislation and international standards, and reaffirms its commitment to preserving reputation, trust, and sustainable development through professionalism and responsible business conduct.

1.6.15. Transformation of risks into opportunities

Telekom Srbija does not view risks solely as potential threats to its operations, but rather as an important source of opportunities for process improvement, innovation, and long-term competitive advantage. Within the Company, risk management is not merely a formal obligation but a vital process through which threats are thoroughly analyzed, lessons are learned, and steps are taken to enhance operations, all with the aim of increasing stability and efficiency and strengthening the trust of customers, partners, and the wider community.

The Company has chosen to apply an Integrated Management System (IMS) in its risk management activities, thereby consolidating risk management across the areas of quality, information security, business continuity, environmental protection, and occupational health and safety. This approach is based on the international standards ISO 9001:2015, ISO/IEC 27001:2022, ISO/IEC 27701:2019, ISO 22301:2019, ISO/IEC 20000 1:2018, ISO 45001:2018, and ISO 14001:2015. The application of the IMS enables Telekom Srbija to consider risks simultaneously from multiple perspectives, rather than treating them in isolation within individual functions or processes.

The Company applies the principle of risk-based thinking in its operations, which represents a fundamental value of the ISO 9001:2015 standard. This approach transforms quality management from a reactive model into proactive decision making, integrating risk assessment directly into the planning phase of every business process.

Instead of focusing on correcting errors after they occur, Telekom Srbija proactively analyzes each business decision, new service, or technical innovation through the lens of potential challenges and opportunities. This methodology ensures resource optimization, minimizes the likelihood of operational failures, and continuously elevates the level of customer experience, thereby strategically transforming potential risks into tangible value for all stakeholders.

Through the application of the ISO/IEC 27001:2022 standard, the Company manages information security risks by identifying threats, assessing vulnerabilities, and implementing appropriate controls, with a focus on safeguarding the confidentiality, integrity, and availability of data. The ISO/IEC 27701:2019 standard further strengthens privacy risk management, ensuring alignment with the GDPR and domestic regulations and reducing risks associated with customers' personal data.

Business resilience represents a key component of sustainable development. The application of the ISO 22301 standard enables the Company to identify risks that may jeopardize business continuity – from technical incidents to large scale emergencies. Through business impact analyses, recovery planning, and regular scenario testing, the Company strengthens organizational resilience and ensures the ability to respond swiftly.

The implementation of the ISO/IEC 20000-1:2018 standard enables Telekom Srbija to systematically manage risks related to IT services, with an emphasis on service availability, capacity, security, and continuity.

The standard requires proactive identification, assessment, and treatment of risks within the service management system, including service planning, change management, and the management of incidents and problems. This ensures consistent fulfillment of agreed service level commitments (SLAs), regular performance monitoring, and continuous improvement, thereby directly strengthening customer trust and the reliability of IT services.

The safety of employees and partners is one of the Company's priorities. Through the implementation of the ISO 45001 standard, Telekom Srbija identifies and manages workplace risks, particularly within the complex telecommunications environment that includes infrastructure operations, network facilities, and field locations. Through continuous training, preventive programs, and incident analyses, the Company cultivates a culture of safety and accountability.

Environmental risks represent an important aspect of strategic management. Through the application of the ISO 14001:2015 standard, the Company identifies environmental impacts associated with its activities and manages risks related to energy consumption, emissions, electronic waste management, and the protection of natural resources. Within this management system, climate related risks and measures for their mitigation have also been identified.

The Integrated Management System enables the Company to connect all of these areas and view risks in an interdisciplinary manner. Risk management is carried out through clearly defined responsibilities, internal and external audits, continuous performance monitoring, and the improvement of procedures in accordance with international best practices.

The Company applies a multi layered control model:

- The first line of defense consists of employees and managers who identify and manage risks in the course of their daily activities.
- The second line includes specialized functions such as controlling, information security, occupational health and safety, environmental protection, and other relevant areas.
- The third line is internal audit, which independently assesses the effectiveness of controls and provides recommendations for improving the system.

Based on this approach, it is evident that for the Company, risk management is not merely a component of internal control but a part of its identity and a pillar supporting the development of a sustainable future. By communicating transparently about its current position and its vision for the future, Telekom Srbija demonstrates that leadership entails continuous learning, adaptation, and the courage to transform challenges into new value.

During 2025, the Company successfully completed the recertification audits of its Occupational Health and Safety Management System (ISO 45001) and Environmental Management System (ISO 14001), thereby confirming compliance with the standards' requirements and reaffirming its commitment to continuous improvement.

This approach demonstrates that Telekom Srbija systematically transforms identified risks into opportunities for innovation, the strengthening of organizational resilience, and the creation of long-term value for customers, employees, investors, and society as a whole.



1.7. Partnerships for a Sustainable Digital Eco-System

In line with its commitment to partnerships as a cornerstone of sustainable development and the digital transformation of society, Telekom Srbija continued in 2025 to actively participate in the work of numerous national and international organizations and institutions, business associations and forums, as well as knowledge platforms of internationally recognized bodies.

As a reliable partner to the community, Telekom Srbija contributes to the development of the telecommunications sector in the region and strengthens its capacity to integrate ESG principles across all business areas by monitoring global trends, exchanging best practices with leading companies, and continuously improving its business models.

This contribution to various initiatives and joint efforts in the fields of telecommunications, sustainability, and the improvement of the business environment clearly demonstrates that partnerships represent a strategic tool for creating a sustainable business model that delivers significant value to the community, customers, and investors.

Membership in relevant associations enables Telekom Srbija, as a leader in change and in the digital transformation of Serbia, to participate in shaping the regulatory and business framework in support of sustainable practices, and to build a transparent and efficient business environment – through cooperation, innovation, and responsibility toward future generations – in line with the highest global standards of the telecommunications industry.

Key partnerships

Telecommunications and digital technologies	Providing access to regulatory changes, technological trends and benchmarking with leading European and global operators.	         
ESG and socially responsible business	Strengthening the ESG agenda and integrating sustainability into the company's strategy and operational activities.	     
Human resources and management	Improvement of managerial practices, knowledge exchange and talent development.	   
Business diplomacy and international cooperation	Strengthening bilateral relations, facilitating access to business communities and financial markets, contributing to the internationalization of business.	       
Marketing, media and industry knowledge	Facilitating monitoring of marketing, compliance and Reputation management standards and practices	   



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

Since the launch of its mobile network in 1998, Telekom Srbija has been a member of the GSMA, thereby ensuring access to the latest technologies, alignment of services with global standards, and the conclusion of more than 500 international roaming agreements. Through active participation in this community of over 18,500 industry leaders, as well as in working groups and specialized projects covering all areas of a modern mobile operator's business, Telekom Srbija remains part of the global telecommunications ecosystem. This enables users in Serbia to stay connected with the world and provides the Company with stability, competitive advantage, and access to comprehensive global market insights.

TeleManagement Forum (TMF): Accelerating digital transformation

TMF is an association bringing together more than 85,000 experts from over 900 leading global companies, including telecommunications operators, internet service providers, manufacturers and distributors of telecommunications and IT equipment, providers of telecommunications support systems, and various system integrators. Its mission is to establish standards, facilitate the exchange of experience, and define industry wide business support processes.

As a TMF member since 2005, Telekom Srbija leverages global knowledge, case studies, and KPI benchmarks to optimize business processes and introduce new services more efficiently and with reduced risks. By adopting TMF standards, such as the eTOM model, and through employee training programs, Telekom Srbija enhances operational efficiency, strengthens the resilience of its IT systems, and reduces operating costs.

Connect Europe: The voice of the industry in the EU

Through its membership since 2019 in Connect Europe (founded in 1992 as ETNO), Telekom Srbija participates directly in shaping new and revised EU policies relevant to the telecommunications industry, including the preparation of the Strategic Agenda 2024–2029 and initiatives related to fair share financing of networks. This enables the Company to adjust its strategies in a timely manner and influence regulatory changes, ensuring smooth development and implementation of infrastructure and services aligned with emerging 5G/6G standards.

Gartner: Informed decision-making in IT strategies

Gartner is the world's leading analytical and consulting company in the field of information and communications technology, trusted by more than 75 percent of the top 500 global companies on the Forbes list. Its success is based on the expertise of more than 1,200 analysts and specialists who produce for over 60 thousand clients a year as many as 8,000 documents annually and provide advice to approximately 1,000 executives each day.

By way of consultations and reporting of Gartner, since 2006, Telekom Srbija has used forecasts regarding IT architecture development, business and economic trends for making competent decisions about further development of IT architecture, cloud migration, and the introduction of 5G services.

Cullen International: Regulatory compliance and strategic planning

During the restructuring of PTT administrations in Western Europe in the 1990s, most incumbent operators became clients of Cullen International (established in 1986). Regulatory agencies soon followed, and with the emergence of mobile telecommunications as a regulatory focus, mobile operators also joined its client base. Today, Cullen supports more than 270 leading operators, regulators, and public institutions, working with a global network of national regulatory experts and providing benchmarking of regulations across more than 70 countries.

Through its membership since 2010, Telekom Srbija gains access to a unique source of up-to-date regulatory information and comparative analyses from more than 70 jurisdictions, ensuring timely alignment with EU standards and enabling sustainable operations in line with regulatory trends. This has significantly improved the Company's strategic planning in key areas such as roaming, network sharing, and competition.

UN Global Compact (UNGC): Sustainable business as a priority

The United Nations Global Compact (UNGC) is a voluntary initiative that brings together companies, academic institutions, civil society organizations, cities, and trade unions committed to adhering to the ten universal principles in the areas of human rights, labor rights, environmental protection, and anti corruption. In Serbia, the initiative already includes more than 100 member organizations.

As a UNGC member since 2010, Telekom Srbija maintains a strong commitment to responsible business conduct through the implementation of all ten universal principles and the continuous monitoring and fulfilment of the Sustainable Development Goals – the 2030 Agenda, regularly publishing reports on its progress. Through UNGC workshops, Telekom Srbija enhances its ESG reporting and integrates the Sustainable Development Goals into its business strategy, thereby strengthening public trust and the confidence of customers, shareholders, and investors.

The Chamber of Commerce and Industry of Serbia: Strengthening ties with the community

Long standing membership in the Chamber of Commerce and Industry of Serbia enables Telekom Srbija to actively participate in shaping the business environment in Serbia, contribute to the development of digital infrastructure – including the rollout of the 5G network – and engage in strategic projects of importance for the national economy. Through cooperation with the Chamber, Telekom Srbija achieves stronger connections with state institutions and potential investors, thereby supporting further digitalization of society.



2. Sustainability Management



2.1. ESG strategy

The ESG Strategy of the Telekom Srbija Group for the period from 2025 to 2029 emphasizes the strong commitment of the Group member companies to sustainable development, social responsibility, and high standards of corporate governance. The ESG Strategy encompasses all relevant organizational units, ensuring an integrated approach based on the actual needs of the companies, regulatory requirements, industry trends, and stakeholder expectations.

This Strategy serves as a roadmap for the further development of sustainable business practices within the Group and integrates core principles that strengthen the position of the Telekom Srbija Group as a leader in the digital transformation of the region, with full responsibility toward the environment, society, and the economy. Its objective is to embed ESG principles as an integral part of corporate culture, processes, and day-to-day operations, while at the same time enhancing the resilience of the business model and contributing to the achievement of the United Nations Sustainable Development Goals.

The ESG strategic framework of the Telekom Srbija Group is based on the concept of a “strategic house”, with clearly defined ESG mission and vision at its apex, and three key governance foundations forming its base: people, infrastructure, and processes. These pillars are not merely organizational categories; they are drivers of transformation that enable ESG principles to become part of the Group’s identity and everyday operations.

People represent the most important catalyst for all ESG-related change. Their expertise, engagement, and ability to recognize and apply ESG principles in practice are critical to the successful implementation of the Strategy as a whole. The Telekom Srbija Group recognizes that sustainability cannot exist without a well-developed ESG culture and therefore continuously invests in training, skills development, awareness raising, and the empowerment of employees at all levels. This approach fosters an organization in which sustainability, ethics, and responsibility are integral to decision-making, leadership, and daily conduct.

Infrastructure constitutes the operational foundation of the ESG Strategy and a key mechanism for reducing environmental impact and increasing operational efficiency. Modernized, energy-efficient, and technologically advanced infrastructure enables the Company to manage resources responsibly, reduce energy consumption, accelerate digital transformation, and strengthen resilience to environmental and technological risks. Investments in infrastructure are not merely technical initiatives, but rather a long-term commitment to developing business operations in line with global green transition trends and sustainable development principles.

Processes form the third foundation of the strategic framework and ensure that ESG principles are embedded across all business segments. Standardized, transparent, and aligned processes provide structure and consistency in achieving ESG objectives, enable performance measurement and risk management, and ensure that sustainability becomes a systemic, rather than sporadic, practice. Through clearly defined procedures, policies, and oversight mechanisms, the Telekom Srbija Group ensures consistent implementation of ESG objectives across all Group members, achieving a high level of corporate alignment and accountability.

Together, these three foundations create a robust and sustainable framework that supports the three interrelated pillars of the ESG Strategy: E (Environment), S (Social), and G (Corporate Governance). Within each pillar, material topics and specific measures have been defined that reflect both the environmental and social impacts of operations, as well as the expectations of investors, regulatory authorities, and the wider community. The strategic framework has been developed in accordance with the double materiality principle and international sustainability reporting standards, ensuring that the ESG objectives of the Telekom Srbija Group are aligned, measurable, and relevant for long-term corporate development.

In the environmental domain, the ESG strategic framework is focused on building a business model that not only reduces negative impacts but also actively contributes to the regeneration of ecological systems. The focus extends beyond rational resource use to the creation of infrastructural and technological prerequisites that will enable Telekom Srbija Group operations to become more resilient, efficient, and responsible in the years ahead. Through the development of environmentally responsible solutions, smarter energy management, and investments in renewable energy sources, the company lays the groundwork for long-term community welfare and the preservation of the natural environment for future generations, reaffirming that sustainability is a strategic commitment rather than merely a regulatory requirement.

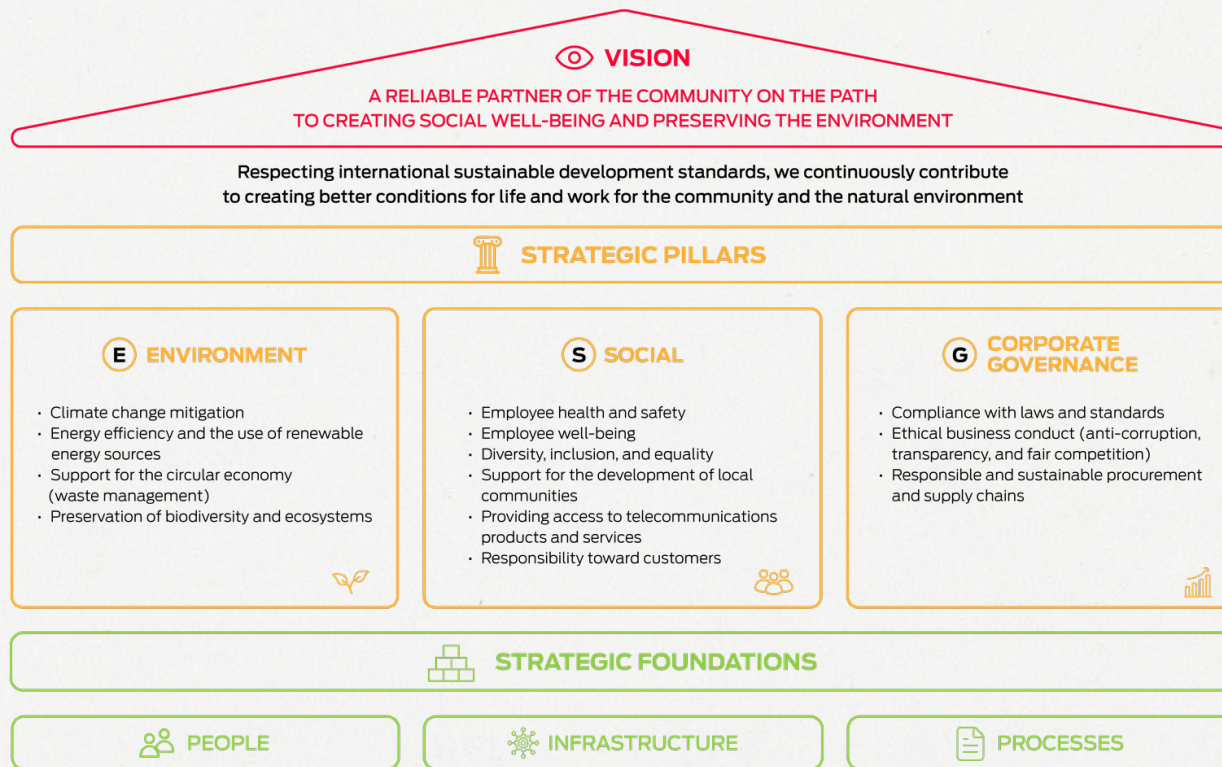
In the area of social responsibility, the strategic framework places people at its core, encompassing employees of the Telekom Srbija Group as well as partners, customers, and the wider community. The Group fosters a working environment that promotes safety, inclusion, and development, recognizing that motivated, empowered, and competent people are the key drivers of sustainable progress. At the same time, the Group's commitment to the community is reflected in projects that support digital inclusion, education, technological advancement, and improvements in quality of life.

Such an approach enables the company to act as an active social partner that understands community needs and works proactively to create equal opportunities for all.

Corporate governance within the ESG Strategy is positioned as a pillar of trust, accountability, and integrity. The Telekom Srbija Group strengthens its governance mechanisms through transparency, consistent application of ethical principles, enhancement of procedures, and alignment with global and local standards. A strong focus on governance entails the continuous strengthening of control systems, improvement of decision-making processes, and responsible risk management, thereby ensuring business stability and long-term value creation for all stakeholders.

In this way, the ESG strategic framework of the Telekom Srbija Group not only defines objectives within each individual pillar but also ensures a comprehensive, interconnected, and sustainable approach to business operations. By integrating environmental, social, and governance principles across all segments of the organization, the Group establishes a business model that is responsible, transparent, and resilient, prepared to address the challenges of the modern market and the needs of future generations.

ESG Strategic Framework of Telekom Srbija





The described ESG strategic framework enables members of the Telekom Srbija Group to implement all planned ESG initiatives in a systematic, consistent, and efficient manner, with a clear understanding of their interdependence and long-term impact. Through this structured approach, the Group not only ensures continuous monitoring and improvement of its ESG performance, but also secures alignment of every activity, decision, and investment with the defined objectives, values, and principles of sustainable business. In this way, ESG becomes an integral part of the Group's business identity and a foundational pillar that supports stable, responsible, and sustainable development of the entire Group in the years ahead.

2.1.1. Role of Management in the ESG Strategy

The highest governing bodies in the Telekom Srbija Group play a key role in shaping and overseeing the ESG strategy, ensuring that sustainability is an integral part of the Group's strategic direction and long-term development. In line with international principles of good corporate governance and contemporary ESG practice trends, governing bodies ensure that decisions are made with full awareness of the environmental, social and governance impacts of business operations.

The ESG strategy of the Telekom Srbija Group has been developed through a comprehensive process of identifying material topics and consulting with key stakeholders, enabling the strategy to cover all most significant areas. By adopting the strategy, the highest governing bodies confirm their commitment to mitigating ESG risks, strengthening the resilience of the business model and creating sustainable value for all stakeholders.

The Supervisory Board, as the highest governing body of the Group, is responsible for adopting the ESG strategy, as well as for defining binding principles of sustainable and ethical business conduct. The management of Group members, within their respective competences, implements operational activities, improves processes and ensures regular progress monitoring in line with defined objectives and indicators.

The Telekom Srbija Group is committed to strengthening knowledge and awareness of ESG topics among managers and employees. Continuous education represents the foundation for making informed, responsible and long-term sustainable decisions, as well as for the consistent application of ESG principles in everyday operations. In this way, ESG competencies become an integral part of managerial and operational practice across the Group.

In accordance with the principles of transparency and accountability, the Telekom Srbija Group regularly reports on its ESG performance through annual ESG and business reports. All organizational units are involved in the ESG reporting process, providing accurate and relevant data in line with their respective responsibilities. This enables a comprehensive and reliable presentation of progress in achieving ESG objectives, strengthens the trust of investors, regulatory authorities, partners and customers, and confirms the Group's commitment to operating in a transparent, responsible and sustainable manner.

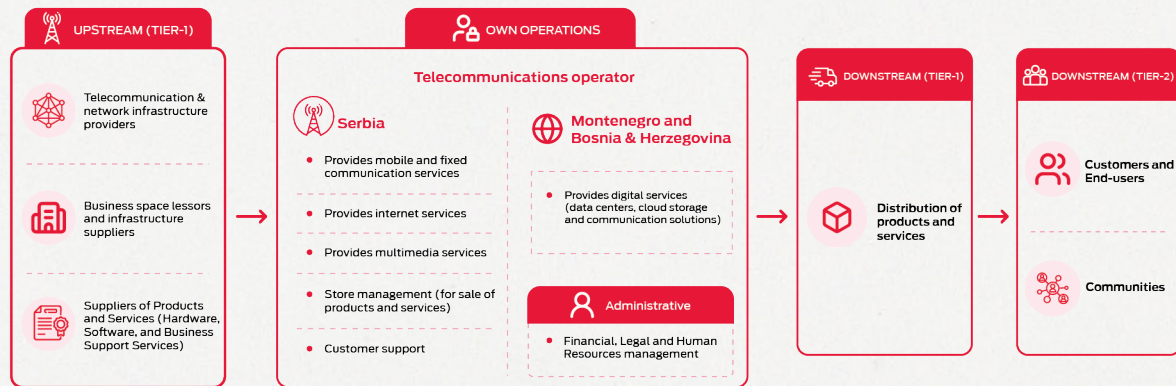
2.1.2. Supplier and Value Chain Management in the ESG Context

Value chain mapping

The value chain comprises interconnected activities, resources and business relationships through which the Company creates and delivers its products and services. It follows the entire value flow – from the development and design of the offer, through its distribution and use by customers, to the end of its life cycle. In this process, broader impact of business operations on the economy, the environment and society is also identified.

Within the linear value chain, a direct sequence of activities and participants involved in creating and delivering products and services to end users is observed. This segment of the chain includes key operational processes through which market value is generated.

Telekom Srbija is gradually developing the practice of assessing the impact of its operations on people and the environment, as well as the impact arising from cooperation with suppliers and business partners. Particular attention is paid to the upstream and downstream phases of the value chain, through which the Company systematically assesses ESG risks and opportunities and further strengthens the sustainability of its business model.



NON-LINEAR VALUE CHAIN			
Business Partner	Type of relationship	Value chain position	Included in Due Diligence
Government	58% ownership	Company stakeholder	No
Biodiversity Protection Associations	Collaboration to support initiatives	-	No

In addition, the Company also considers a broader, nonlinear value chain that includes players who are not directly involved in production or distribution but play an important role in the functioning of Telekom Srbija's business ecosystem. This approach enables a better understanding of indirect impacts and contributions of various partnerships, as well as the strengthening of positive effects that the Company's operations generate in society and the environment.

In order to improve transparency and systematic sustainability management, the Company has carried out mapping and identification of key processes within both the linear and nonlinear value chain, which represents an important basis for the further development of sustainable and responsible business across all segments of the Company.

Significant progress was achieved during the previous year, primarily through the adoption of new, updated general procurement terms aimed at improving and enhancing procurement process within the Telekom Srbija Group. During 2025, the implementation of these internal acts relating to different types and categories of procurement was continued. The share of domestic suppliers in the procurement chain remained at the same level of 95%.

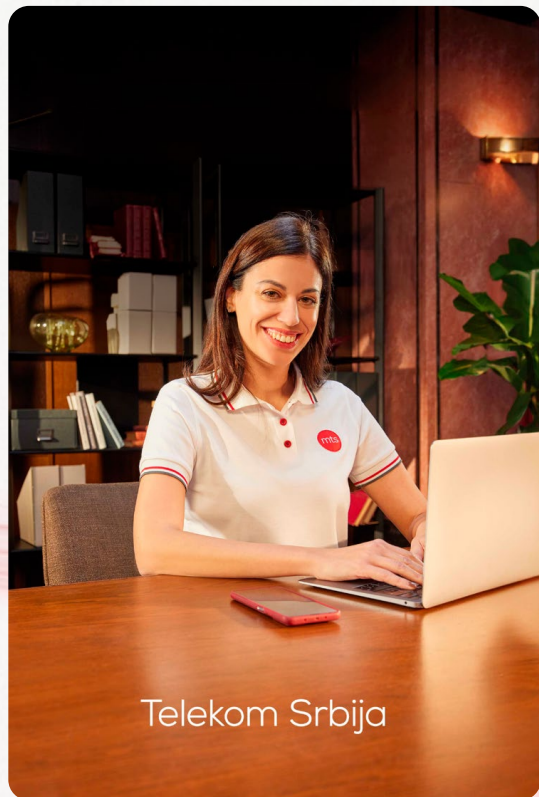
Although suppliers are not specifically evaluated based on criteria relating to environmental benefits and environmental protection, all procurement activities are carried out in accordance with applicable legal and internal regulations, which also include compliance with environmental responsibility obligations.

Telekom Srbija's Procurement Policy envisages, as one of the basic principles of procurement implementation, compliance with the principle of "Environmental Protection and Ensuring Energy Efficiency". This implies the procurement of materials and services that have minimal negative impact on the environment, preserve natural resources and reduce waste generation, as well as products and services that contribute to energy efficiency and energy savings.

The general terms for conducting procurement procedure clearly stipulate, as one of the basic criteria for bidder participation, compliance with obligations in the field of environmental protection, social and labour law. Specifically, a bidder may be excluded from a procurement procedure if, within the two years preceding the deadline for bid submission, it has violated obligations in these areas, including noncompliance with collective agreements and international standards for the protection of workers and the environment. Compliance with these criteria is demonstrated through written statements, which may be subject to additional verification and requests for supplementary documentation.

Furthermore, special terms applicable to certain procurement categories, such as the execution of works and the provision of technical support and equipment maintenance, define requirements relating to occupational health and safety that suppliers are obliged to meet during contract implementation, thus ensuring that all activities within the procurement chain meet high standards of social and environmental responsibility.





Telekom Srbija

2.2. Engagement of Key Stakeholders

Stakeholders include all individuals, groups and organizations that may influence the Company's operations or be influenced by them – directly or indirectly, positively or negatively. Their interests may be related to strategic decisions, projects, operational activities or the overall impact of organization on the market and society.

Telekom Srbija applies a structured approach to managing relationships with stakeholders, recognizing the importance of open communication and partnership-based cooperation for long term stability and sustainable business development. This approach includes continuous mapping and prioritization of relevant groups, development of appropriate communication models for each of them, and integration of their feedback into decision making and strategic planning processes.

Effective identification of stakeholders represents the basis for understanding their different expectations, needs and potential impact on business results. Timely and transparent communication with them contributes to improved risk management, enhanced cooperation and successful implementation of planned activities.

Stakeholder engagement is achieved through various channels and formats, including:

- Corporate communication channels such as the website, social media, multimedia content and electronic communication,
- Direct meetings, workshops and consulting processes,
- Employee and customer satisfaction surveys and research,
- Annual financial and nonfinancial reporting,
- Membership in relevant national and international associations,
- Participation in regulatory and professional consultations.

Internal and external stakeholders are identified based on experience and continuous cooperation of competent organizational units that regularly interact with specific groups.

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 reporting to suppliers 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 premises
Customers	Protection of the environment 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 environment and work in pleasant surroundings; Opportunities for advancement

Cooperation with employees and their representatives is of particular importance in relations with stakeholders. Telekom Srbija ensures conditions for collective bargaining in accordance with the applicable legislation of the Republic of Serbia, while employees have access to various formal and informal channels for expressing opinions and initiatives.

These include trade union organization, internal surveys and direct communication with the management. In this way, employees' views are systematically considered when making decisions related to labor rights, working conditions and professional development. Based on the feedback collected, a series of new FFE initiatives aimed at improving the work environment has been implemented.



2.3. Communication on Sustainable Business Topics

ESG reporting is a structured process through which the Company identifies, monitors and transparently discloses information on the management of impacts, risks and opportunities related to environmental protection, social issues and corporate governance. Since the ESG framework covers a wide range of topics that do not have the same relevance for all organizations, it is of crucial importance to define those areas that are most relevant for a specific business. For this reason, the process of identifying material topics represents the first step in determining ESG reporting priorities and focus.

When determining material topics, various factors are taken into account: the organization's business model and industry context, requirements of the international reporting standards, practices of companies from the same sector, as well as expectations and perceptions of internal and external stakeholders. A particularly important role in this process is played by the concept of double materiality, which enables the consideration of ESG topics from two complementary perspectives: the impact that the Company's business activities have on the environment and society, and the impact that ESG factors may have on financial performance and the long-term stability of the business.

At Telekom Srbija, the materiality assessment was conducted through a comprehensive analysis of relevant ESG areas. The starting point consisted of the existing strategic documents and internal analyses, including the Corporate Social Responsibility Strategy, the Sustainability Report for 2023, as well as documentation relating to dialogue with stakeholders and previously defined ESG topics.

The analysis was further expanded by a comparative review of practices of leading companies in the telecommunications sector, including United Group, AI, British Telecom, Deutsche Telekom, Vodafone, Yettel, Türk Telekom and Telefónica. Relevant international sustainability reporting frameworks were analyzed simultaneously, primarily the GRI standards – including guidelines specific to the telecommunications industry – as well as the SASB Standards. Such a methodological approach enabled process compliance with the globally recognized ESG reporting principles and best practices in the sector.

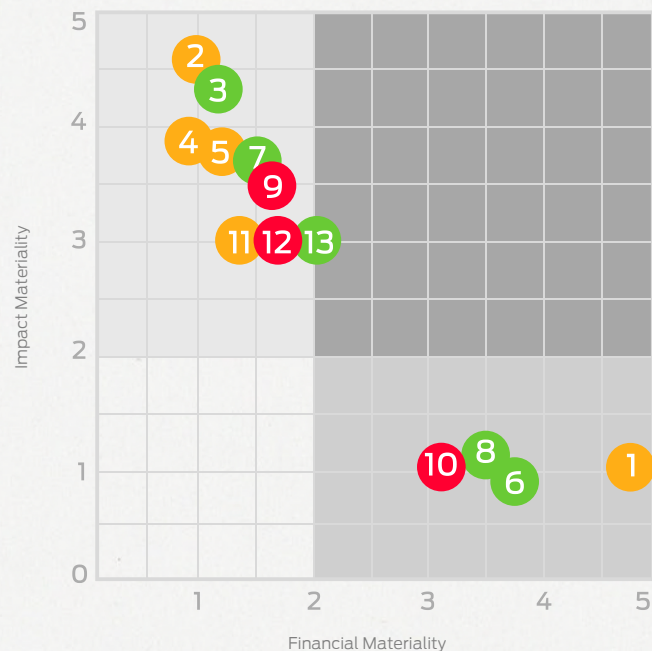
Based on the insights collected, a materiality matrix was developed, to identify and rank key sustainability topics relevant both for the telecommunications industry in general, and specifically for Telekom Srbija's operations.

The next step in the process included aligning the analysis with the European Sustainability Reporting Standards (ESRS) and the accompanying implementation guidelines. Although this report has been prepared in accordance with the GRI Standards, the materiality assessment methodology relies on the principles defined by the Corporate Sustainability Reporting Directive (CSRD), thus ensuring detailed identification of impacts, risks and opportunities (IRO) from the perspective of business impacts and the financial implications of ESG factors.

Due to the high level of compatibility between the ESRS and GRI frameworks, the results of this analysis can be directly linked to the relevant GRI reporting topics. The identified areas were subsequently mapped against the ESRS standards, thereby defining related risks and potential opportunities. This approach represents an important foundation for further double materiality assessment and enables a comprehensive understanding of the impacts of Telekom Srbija's operations on the environment, as well as the potential financial effects of ESG factors.



Double Materiality Matrix



ENVIRONMENTAL



SOCIAL



GOVERNANCE

Material topics:

S1

S4

E1

E4

E5

G1

Non-material topics:

S2

S3

E2

E3

- | | | |
|----|----|---|
| 1 | S4 | Information influence on consumers and/or end users |
| 2 | S1 | Working conditions |
| 3 | E5 | Waste |
| 4 | S4 | Personal safety of consumers and/or end users |
| 5 | S4 | Social inclusion of consumers and/or end users |
| 6 | E1 | Energy |
| 7 | E1 | Mitigation of climate change |
| 8 | E5 | Resource inflow, including use of resources |
| 9 | G1 | Vendor relation management, including the payment practices |
| 10 | G1 | Corruption and bribery |
| 11 | S1 | Equal treatment and opportunities for all |
| 12 | G1 | Protection of whistleblowers |
| 13 | E4 | Influence on the condition of species (biodiversity) |

Priority Sustainable Business Topics

The Telekom Srbija Group has established an internal ESG team responsible for the continuous improvement of sustainability reporting processes. Within its competences, this team periodically conducts materiality assessments in order to ensure that the content of ESG reports remains relevant and aligned with expectations of the key stakeholders.

An internal analysis of material topics was conducted, confirming that, compared to the previous report, there were no changes in their structure or significance. Regular review of material topics enables the Company to monitor changes in the business and regulatory environment, as well as the development of expectations of investors, partners, employees and the wider community.



Environmental (E)

This strategic pillar comprises the following material topics:

- Climate change mitigation
- Energy efficiency and use of renewable energy sources
- Support for the circular economy (waste management and resources)
- Biodiversity and ecosystem conservation

The table below presents the linkage of topics with ESRS¹ and GRI² standards:

Categories	Topic	Subtopic	Sub-subtopic	GRI	Topic category
E1	Climate change	Climate change mitigation	Climate change mitigation	GRI 305	Emissions
E1	Climate change	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

¹ European Sustainability Reporting Standards – ESRS

² Global Reporting Initiative – GRI



Social (S)

This strategic pillar comprises the following material topics:

- Employee health and safety
- Employee wellbeing
- Diversity, inclusion and equality
- Support for local community development
- Ensuring access to telecommunications products and services
- Responsibility towards customers

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

Categories	Topic	Subtopic	Sub-subtopic	GRI	Topic category
S1	Own workforce	Working conditions	Balance between work and private life	GRI 401	Employment
S1	Own workforce	Working conditions	Health and safety	GRI 403	Occupational health and safety
S1	Own workforce	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
S4	Consumers and end users	Social inclusion of consumers and/or end users	Access to products and services	GRI Sector Specific	Providing access - Access to products and services
S4	Consumers and end users	Personal safety of consumers and/or end users	Health and safety	GRI 416	Consumer safety
S4	Consumers and end users	Impacts related to information for consumers and/or end users	Privacy	GRI 418	Consumer privacy



Governance (G)

This strategic pillar integrates the following materially significant topics:

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

The strategic framework enables Telekom Srbija Group members to consistently implement defined ESG initiatives, while regularly monitoring and improving their environmental, social and corporate governance performance. This ensures alignment of all activities with the Company's objectives and values, as well as with stakeholders' expectations.

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

Categories	Topic	Subtopic	Sub-subtopic	GRI	Topic category
G1	Business conduct	Supplier relations management, including payment practices	Supplier relations management, including payment practices	GRI 401	Procurement practices
G1	Business conduct	Supplier relations management, including payment practices	Supplier relations management, including payment practices	GRI 308	Assessment of suppliers' environmental impact
G1	Business conduct	Supplier relations management, including payment practices	Supplier relations management, including payment practices	GRI 414	Supplier social assessment
G1	Business conduct	Corruption and bribery	Prevention and detection, including training	GRI 205	Anti-corruption
G1	Business conduct	Whistleblower protection	Whistleblower protection	GRI 419	Socioeconomic adjustment

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

Steps Towards Greener Business



At a time when climate change and ecosystem degradation represent systemic risks to the global economy, society and biodiversity, Telekom Srbija recognizes environmental protection as one of the most complex and important segments of ESG responsibility.

The Company operates in compliance with applicable laws and industry standards in the field of environmental protection. However, for Telekom Srbija, sustainability is not merely a matter of regulatory compliance, but a long-term strategic commitment.

A proactive approach is reflected in systematic investments in infrastructure modernization, improvement of energy efficiency, reduction of greenhouse gas emissions and implementation of certain principles of the circular economy.

Through this approach, the Company contributes to achieving the objectives defined under Agenda 2030 and the United Nations Sustainable Development Goals, particularly in the areas of sustainable infrastructure and responsible consumption.

At the same time, the Company is strengthening the resilience of its own business model and the communities in which it operates, recognizing that long term business sustainability is inseparably linked to the preservation of natural capital.

3.1. Environmental Management System

At the Company level, the foundation of environmental management at Telekom Srbija is a certified environmental management system in accordance with the requirements of ISO 14001:2015, supported by a multidisciplinary team composed of representatives of various relevant organizational units. This team continuously works on reducing negative environmental impacts while simultaneously improving positive environmental performance.

In addition to managing impacts, the environmental team also works on identifying risks and opportunities, thereby ensuring a comprehensive view of key internal and external factors relevant to environmental management.

During the reporting period, it was important that recertification of the system in accordance with ISO 14001:2015 requirements was completed, accompanied by an external audit. The audit findings confirmed the maturity and effectiveness of the system, highlighting its significant improvement over the previous four-year cycle. The system has evolved from a basic regulatory framework into one of the most developed within the Company, with measurable results presented in this report.

Through a structured process of identifying and evaluating material environmental topics, in line with international standards and the principle of double materiality, the Telekom Srbija Group defined priority environmental areas for strategic action. These topics represent key intersection points between the Company's impact on the environment and the financial implications of climate and environmental factors on its operations.

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. Rising global temperatures, increasingly frequent extreme weather events and sea level rise 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 as a tool enabling systematic identification, quantification and monitoring of emissions from business activities. This approach allows resources to be directed towards key areas for improvement and the setting of emission reduction targets in line with the GHG Protocol and international standards.

As a large telecommunications operator with developed infrastructure, the Company recognizes its potential impact on emissions, particularly through energy consumption. Accordingly, a monitoring system has been implemented, comprising:

- **Scope 1:** direct emissions from own sources
- **Scope 2:** indirect emissions from consumption of purchased electrical and thermal energy

At present, Telekom Srbija has not yet established a comprehensive system for assessing greenhouse gas emissions beyond its own operations; therefore, data on Scope 3 emissions are not available.

The Company is aware that emissions within the value chain may represent a significant portion of the total carbon footprint and that their inclusion constitutes an important step towards more comprehensive and transparent ESG reporting. Consequently, the establishment of appropriate methodologies and procedures for identifying, measuring and monitoring Scope 3 emissions is planned for the forthcoming period. This process will involve further enhancement of data collection systems, cooperation with suppliers and gradual integration of emission related requirements into the supply chain.





Emission of greenhouse gases (GHG)

Categories	2024 (tCO ₂ e)	2025 (tCO ₂ e)	Trend
Scope 1	12,554	14,237	↗
Stationary sources	1,653	1,740	↗
Mobile sources	7,810	8,761	↗
Fugitive sources	3,091	3,736	↗
Scope 2 (market-based method)	54,191	49,894	↘
Electricity (location-based method)	184,600	177,373	↘
Electricity (market-based method)	50,890	45,531	↘
Thermal energy	3,301	4,363	↗
Scope 3	/	/	
Total (market-based method)	66,745	64,131	↘

Intensity of GHG emissions

Intensity	Units	2024 (tCO ₂ e)	2025 (tCO ₂ e)
Intensity of GHG emissions (total GHG emissions / realized TC traffic in the mobile network)	tCO ₂ eq/TB	0.19	0.15
Economic intensity of GHG emissions (total GHG emissions / operating profit – EBIT)	tCO ₂ eq/EUR	0.000215	0.000113
Intensity of GHG emissions per user (total GHG emissions / number of users)	tCO ₂ eq/user	0.00819	0.0078

The reduction in GHG emissions (Scope 1 and 2) is the result of two factors. The first is lower electricity consumption, and the second is the update of the emission factor for Serbia in the international database from 0.845 kgCO₂e/kWh (2024) to 0.793 kgCO₂e/kWh (2025). A more detailed GHG emissions calculation methodology, including emission sources and emission factors applied for 2025, is presented in a separate greenhouse gas emissions report, available via the provided [link](#).

Emissions from stationary combustion sources

Within Telekom Srbija's operations, a certain number of business facilities use their own boiler rooms for heating during the winter period. Although their number is limited, the Company recognizes that emissions from stationary combustion sources represent a relevant aspect of managing air quality in the local communities in which it operates.

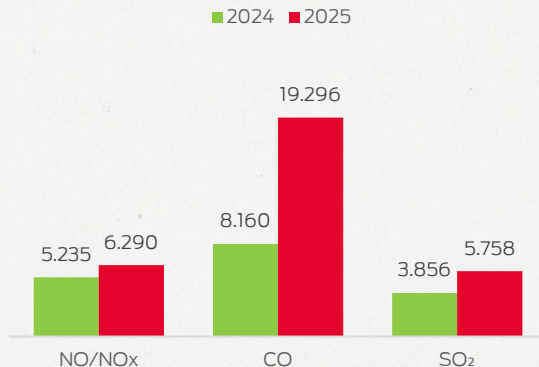
In order to minimize environmental impact, Telekom Srbija strives to rationally manage heat energy consumption, carry out preventive seasonal maintenance of thermotechnical systems and installations, and conduct regular measurements of pollutant gas emissions. Measurement results are documented and submitted to the competent authorities, thereby confirming full compliance with applicable environmental protection regulations and standards.

In accordance with cooperation protocols with lessors of business premises, Telekom Srbija monitors emissions from a total of 14 boiler rooms, with systematic recording and archiving of measured values.

Monitoring covers emissions of pollutants including sulfur dioxide, carbon monoxide and nitrogen oxides. Managing these emissions presents a particular challenge, given that Telekom Srbija operates in these facilities as a lessee and therefore has limited direct influence over the operation and technical characteristics of the boiler rooms.

In the forthcoming period, activities will be focused on further strengthening cooperation with lessors and enhancing their understanding of the need to improve energy efficiency of facilities, as well as considering technological solutions that may contribute to further emission reductions and more responsible management of environmental impacts.

Measured emission of polluting substances - gases (kg)



3.3. Strategic Approach to Energy Management

Energy management at Telekom Srbija is based on a dual, complementary approach that integrates operational efficiency and climate transition into a long-term business strategy.

The first direction focuses on reducing total energy consumption while simultaneously improving the scope and quality of services provided. This approach involves optimization of network infrastructure and operational processes, thereby achieving separation of business growth from energy consumption growth. This strengthens the resilience of the business model and reduces exposure to energy market volatility.

The second direction focuses on the gradual increase in the share of energy from renewable sources.

By combining these two directions, Telekom Srbija simultaneously achieves reductions in greenhouse gas emissions, optimization of operating costs and long-term business sustainability.

Despite intensive growth of network infrastructure, number of users and traffic volume, total energy consumption in 2025 was reduced by 0.88% compared to the previous year, indicating improved network energy efficiency.



Renewable energy sources

Transition to renewable energy sources represents a key lever for business decarbonization and an important element of long-term climate transition. Integrating renewable energy into the Company's energy mix has a direct impact on reducing Scope 2 emissions, improving the carbon profile and reducing exposure to transition risks related to energy prices and regulation.

Within Telekom Srbija's energy mix, energy from renewable sources is primarily secured through the purchase of "green energy" from Elektroprivreda Srbije (Serbian Electric Power Company), produced from hydropower sources, as well as, to a lesser extent, from the Company's own solar capacities.

Although the ESG strategy defined a target of a 51% share of renewable energy in 2025, a decrease of this indicator to 48.1% was recorded during the year. This deviation primarily resulted from changes in the overall structure of energy consumption, driven by increased energy demand due to the expansion and modernization of network infrastructure, as well as increased network traffic volumes.

Energy consumption

■ 2024 ■ 2025

785.013

778.081

Total energy consumed (GJ)

Energy intensity

Monitoring progress in achieving energy objectives is based on clearly defined and measurable indicators. Telekom Srbija uses two key energy efficiency indicators: economic energy intensity – the ratio of total energy consumed to operating profit (EBIT), and network energy intensity – the ratio of total energy consumed to achieved mobile network traffic (GJ/Tb).

These indicators enable the assessment of energy efficiency from both financial and operational perspectives. In this way, the Company monitors how successfully it decouples business and traffic growth from energy consumption growth, which represents an element of long-term climate transition and preservation of profitability.

Performance improvement is based on an integrated set of activities including:

- Implementation of energy efficient technologies in network infrastructure and data centres,
- Modernization of equipment through replacement of obsolete systems with more efficient solutions,
- Smart consumption management in technical and administrative facilities,
- Optimization of network equipment operating modes during periods of lower load,
- Digitalization and automation of operational processes to enable more precise resource management.

Such an approach enables continuous improvement of energy efficiency while maintaining service quality and network stability. At the same time, reducing energy intensity contributes to lowering the carbon footprint and mitigating the Company's exposure to energy and regulatory risks.

Intensity of energy efficiency	2024	2025
Total energy consumption in relation to operating revenue – EBITD (GJ/EUR)	0.0025	0.00137

Energy intensity	2024	2025
Total energy consumption / achieved traffic in the mobile network (GJ/Tb)	2.27	1.82

Electricity

Electricity consumption represents one of the key factors of Telekom Srbija's operational functioning. Its total volume is directly linked to the strategic development of the network, the growth in the number of users and devices, as well as the expansion of the digital services portfolio. In an environment where network capacities are continuously increasing in order to meet growing user demand, reducing electricity consumption and greenhouse gas emissions represents a complex but strategic priority.

The Company addresses this challenge in a planned manner, through improvements in infrastructure energy efficiency and the procurement of "green energy" generated in hydropower facilities of Elektroprivreda Srbije.

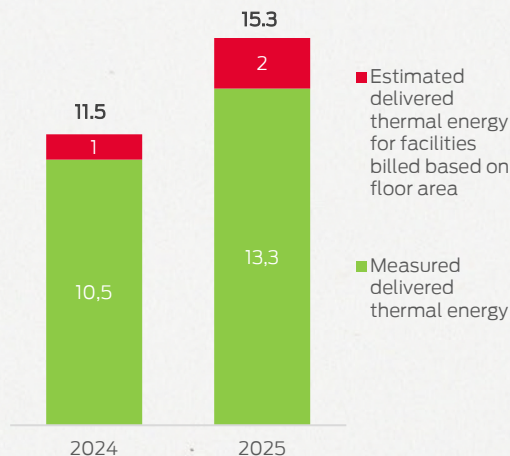
With the aim of long term cost optimization and achievement of climate and development objectives, Telekom Srbija continuously monitors key indicators of energy consumption intensity, which enable the management of business growth while maintaining control over the energy and carbon footprint.

Intensity of energy efficiency	2024	2025
Total electricity consumption in relation to traffic volume (service provided) in the mobile network (KWh/Gb)	0.485	0.378

Heating

The management of thermal energy consumption in business facilities represents an important segment of Telekom Srbija's overall energy strategy. The majority of facilities are connected to district heating systems, and for most facilities data on actually measured delivered thermal energy are available. For approximately 40 facilities where billing is based on heated floor area, consumption estimates were carried out in order to improve the accuracy of the energy balance.

Thermal energy consumption for heating (GWh)



Fuel for the vehicle fleet and power generators

Telekom Srbija uses diesel fuel and motor gasoline required for its own vehicle fleet, as well as for the operation of power generators that provide backup power supply in the event of electricity supply disruptions. This practice represents an important element of operational resilience, as it ensures continuity of service provision to customers, particularly in emergencies and during disturbances in the power system.

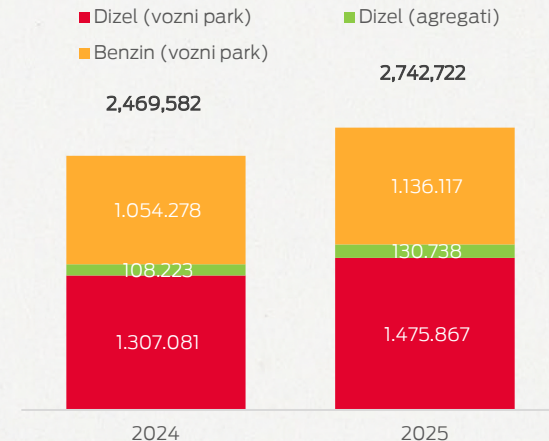
At the same time, the Company recognizes that fossil fuel consumption represents a source of direct emissions and forms part of the overall carbon footprint. Although this segment is managed systematically through consumption rationalization, regular technical maintenance of the vehicle fleet and power generators, as well as improved planning of routes and field interventions, an increase in fuel consumption was recorded in the reporting year.

This increase is primarily the result of more intensive field activities related to the modernization and expansion of network infrastructure, including works associated with the development of the 5G network, as well as the expansion of business operations, particularly through equipment replacement in acquired telecommunications companies.

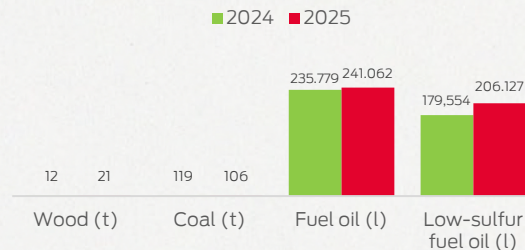
Heating Fuels

A limited number of business facilities use alternative fuels, in accordance with local infrastructure conditions. Their consumption is included in the emissions monitoring and energy management system, thus ensuring consistency in calculation, data transparency and integration into the broader carbon footprint management framework.

Fuel consumption (l)



Energy consumption for heating





3.4. Support for the Circular Economy (Waste Management and Resources)

Circular economy implies a model in which resources are used responsibly, waste is minimized, and the lifespan of products is extended through reuse, recycling, and more efficient management of materials. Although circular principles are still not widely integrated into Telekom Srbija's business processes, the company implements certain measures directed toward their phased application, with a focus on the efficient use of resources and the responsible management of waste.

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 internal Waste Management Plan. Telekom Srbija regularly reports to the competent Environmental Protection Agency about the types and quantities of waste generated, ensuring transparency and regulatory compliance.

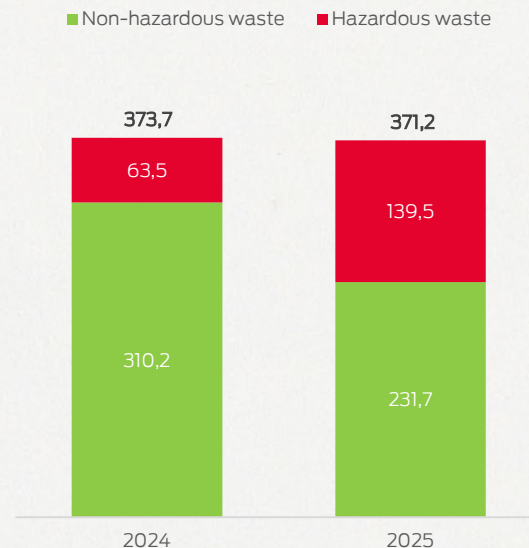
In 2025, the company generated a total of 12 types of waste, of which 7 were classified as hazardous and 5 as non-hazardous waste. Most of the hazardous waste is generated during the modernization and replacement of network infrastructure components, including mobile exchanges, base station parts, antennas, transmitters, lead cables, accumulator batteries, and waste fuels.

These activities are part of the technological transition toward a more efficient and modern network, but they require careful management of the resulting materials. During the reporting year, an increase in the amount of hazardous waste was recorded, primarily as a consequence of intensified activities related to network infrastructure modernization and the further development of 5G technology.

All generated waste is handed over to authorized operators who have appropriate permits for waste treatment and disposal in accordance with its nature. Depending on the type of waste and the technologies available, recycling or other appropriate treatment methods are applied.

Such an approach ensures that infrastructure modernization is undertaken concurrently with responsible resource management. Simultaneously, it provides a foundation for the advancement of circular practices, the reduction of environmental risks, and the strengthening of long-term business sustainability.

Amount of waste generated by type (t)



Collection of old mobile phones from users

Telekom Srbija recognizes that responsibility for electronic devices does not cease upon their sale. In line with the principles of extended producer responsibility, the company seeks to cover the entire life cycle of devices, from distribution to collection, reuse, recycling, or responsible disposal after the end of use.

Users are enabled to safely hand over used devices at more than 125 points of sale across Serbia. The model implies that when purchasing a new phone, the old one is returned and a financial incentive (ECO discount) is granted. The program is available to the general population, not only mts service users, thereby exceeding the commercial framework and acquiring a socially responsible dimension connected with environmental protection goals.

The collected phones are safely stored and systematically transported to a central location, after which they are handed over to a specialized partner and service center that holds international certificates for quality management and information security. This ensures professional device processing, data protection, and further treatment in accordance with applicable environmental standards. During the reporting year, 223,856 devices were collected, thereby redirecting 41 tons of electronic waste from landfills.

In line with the principles of circular economy, 7,544 devices were refurbished and returned to use, thereby extending their lifespan. Within the reuse process, 1,011 screens, 825 batteries, 1,373 charging ports, 1,286 cameras, 637 motherboards, and 7,353 other components recovered.

The results of the project are reflected in the reduction of inadequately disposed electronic waste, active contribution to the development of the circular economy, and the preservation of natural resources, with the recovery of valuable raw materials such as gold, copper, silver, and palladium, as well as reduced energy consumption compared to primary production from ores. In this way, the project generates a measurable ecological effect and contributes to more responsible resource management throughout the entire value chain.

In addition to the operational aspect, the initiative has an educational component. Through awareness-raising campaigns, the public is encouraged to recognize the importance of responsible disposal of electronic equipment and to actively contribute to reducing the negative impact on the environment.

A long-term goal has been set to collect at least 300,000 devices annually, with a plan to reach a total of 1,500,000 devices by 2029 through the 'Old for New' program. In 2025, the number of devices collected was slightly below the planned level, primarily due to the stabilization phase and further development of the program's operational model, as well as the need for additional awareness-raising among users regarding the importance of responsible disposal of electronic devices.

Given that the initiative is relatively new, part of the challenge also lies in changing user habits and motivating them to return old devices into the collection system instead of keeping them at home.

The company is therefore working on improving the program strategy through strengthening communication with users, additional promotion of the ECO discount, and further enhancement of collection logistics. These activities are directed toward accelerating the dynamics of collection in the following year and ensuring the achievement of the annual ESG objective, as well as the accomplishment of the overall five-year goal.





Digitization of processes and reduction of paper consumption

Reducing paper consumption is part of Telekom Srbija's broader commitment to responsible resource management and the reduction of the company's indirect environmental footprint. The company regularly monitors paper usage in order to identify opportunities for optimization and to minimize the impact on wood biomass and the resources required for its production.

The approach is focused on the transformation of business processes, rather than being confined to administrative efficiencies. Key activities include:

- Optimization of internal procedures aimed at minimizing the need for physical documentation
- Development and implementation of digital platforms for document management, enabling electronic access, sharing, and archiving
- Limiting the number of printed copies by promoting digital versions and double-sided printing
- Use of e-mail, digital signatures, and online meetings instead of traditional formats
- Continuous raising of employee awareness about the importance of rational paper consumption

In the course of 2025, due to acquisitions and the expansion of the customer base, a slight increase in paper consumption for printing was recorded. However, this trend is observed in the context of business expansion, alongside parallel efforts to separate the growth of operational volume from the growth of resource consumption.

In the course of 2025, acquisitions and the expansion of the customer base resulted in a modest rise in paper consumption for printing. This tendency, however, is interpreted within the broader framework of business growth, accompanied by parallel initiatives aimed at decoupling the increase in operational volume from the escalation of resource utilization.

Paper consumption (a ream = 500 sheets)	2024	2025
Telekom Srbija	40,979	42,319

In 2025, Telekom Srbija collected and delivered 182.4 tons of paper for recycling, thereby continuing to contribute to waste reduction and the preservation of natural resources in line with the principles of circular economy and the company's ESG orientation.

By prioritizing customer contracting through SMS messages, e-mail, or the Selfcare platform, Telekom Srbija actively reduces the need for printing contractual documentation. This approach contributes to the digitalization of business processes and the reduction of paper consumption, while at the same time enabling simpler and faster communication with customers.

Projections indicate that the application of these digital channels yields annual savings exceeding two million sheets of paper.

The company's objective is to sustain this positive trend and to progressively enhance it on a year-to-year basis.

A target of saving 2,200,000 sheets of paper was set in the reporting year, while the achieved result amounted to 2,450,000 sheets, thereby exceeding the planned target by approximately 11.4%.

Paper savings	Number of (paperless) contracts	Number of sheets
Telekom Srbija	306,323	2,450,584

Furthermore, in the case of business customers, the use of electronic procedures resulted in savings of 67,601 sheets of paper, considering that contractual documentation typically requires multiple copies for both parties. This corresponds to an overall saving of 12.56 tons of paper.



Increasing the number of e-invoice users

Digital transformation represents one of the key drivers of Telekom Srbija's long-term sustainability. In addition to improving operational efficiency and service quality, digitalization directly contributes to reducing the company's environmental footprint and fostering more sustainable consumption patterns.

The company systematically encourages customers to switch from paper to electronic bills, in line with the principles of circular economy and responsible resource management. The goal is not only administrative optimization but also the permanent reduction of paper consumption and related indirect emissions.

The use of e-invoices provides multiple benefits:

- Reducing the use of paper directly reduces the need for deforestation, saves energy and water, as well as the raw materials in the production and printing process.
- Elimination of transport and physical delivery, contributing to reduced fuel consumption and carbon dioxide emissions.
- Less waste generated, given that the use and disposal of paper documents is avoided.
- Improved customer experience through faster, simpler, and more secure access to financial information.

In 2025, the number of e-bill users reached 793,559, confirming the continuous growth of customer trust and readiness to adopt digital solutions. Telekom Srbija's strategic goal is to increase the number of e-bill users to 1,500,000 by 2029. For the reporting year, a target of at least 820,000 users was set, which was not fully achieved.

In the coming years, the company will further intensify activities aimed at promoting digital services, improving the functionality of digital channels, and educating customers about the advantages of e-bills, with the goal of accelerating digital transition and achieving the strategic target by 2029.



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 addresses this issue with a comprehensive awareness of the significance of safeguarding natural ecosystems and ensuring the protection of endangered species. The company understands that the preservation of natural capital represents an integral part of long-term sustainability and the stability of the business environment.

Telekom Srbija does not possess major facilities within protected natural areas or biodiversity centers, and this fact contributes to compliance with the requirements of modern biodiversity reporting standards.

Through responsible resource management and cooperation with relevant stakeholders in the environmental protection system, the company confirms its commitment to viewing biodiversity conservation as part of a broader strategy of sustainable development and long-term business resilience.

Identification of possible impacts on biodiversity

In accordance with the ESG principles and applicable regulatory framework, Telekom Srbija consistently applies a preventive approach in identifying and managing the potential impacts of its activities on biodiversity. Site management and the implementation of post-construction remedial measures represent standard practice in the execution of infrastructure projects.

For projects for which an environmental impact assessment is legally required, Telekom Srbija cooperates with the competent government authorities to ensure regulatory compliance and transparency of processes. When it comes to infrastructure facilities for mobile telephony in the protected areas, Telekom Srbija strictly applies special nature protection requirements defined by the competent authorities.



Operational measures for biodiversity protection implemented on-site

Telekom Srbija has established a clear internal procedure for acting in situations where employees, during fieldwork or other operations, observe potential threats to strictly protected or protected species. Each such case is reported to a designated expert within the company, who identifies the species and, if necessary, notifies the competent institutions to define appropriate protection measures.

Detailed records are kept of all contacts with the protected animal species, including measures taken to resolve the specific situation on the ground. Depending on risk assessment, these measures include, if necessary, interruption of work, notification of competent authorities and implementation of steps that harmonize safety at work with the preservation of biodiversity. This approach enables the alignment of operational efficiency with the principles of responsible natural resource management.

In 2025, Telekom Srbija continued the systematic identification of nests of the strictly protected species of white stork (*Ciconia ciconia*) on telecommunication poles, along with an assessment of potential risks to the stability of the transmission network and the safety of the birds themselves.

In situations where a risk is identified, the company acts in cooperation with the competent institutions and in full compliance with the Nature Protection Law. When necessary, nests are carefully relocated to specially installed safe platforms, which enable uninterrupted nesting while ensuring infrastructure reliability.

All activities are carried out during the winter period, while storks are on migration, and exclusively in accordance with the conditions defined by the Institute for Nature Conservation of Serbia.

This approach makes it possible to view operational safety and biodiversity conservation as complementary objectives rather than opposing demands.





4. Social

Together We Build a
Sustainable Society





Human Capital Management is one of the key pillars of Telekom Srbija's sustainable business operations and forms an integral part of the company's strategic framework. People are placed at the core of the business model, playing a decisive role in generating long-term value, resilience, and competitiveness in a dynamic telecommunications environment.

Telekom Srbija's employees constitute the principal carriers of knowledge, innovation, and operational excellence. Their expertise, commitment, and professional integrity are fundamental to ensuring service quality, fostering the development of advanced solutions, and strengthening the company's market position. Within this framework, Telekom Srbija continuously enhances working conditions with the objective of creating a safe, inclusive, and supportive environment that enables professional growth and guarantees equal opportunities for all employees.

Building on the identified material topics, Telekom Srbija systematically develops and improves practices related to diversity and inclusion, employee relations, and overall well-being. This approach involves the continuous assessment of the impacts of existing policies and their adaptation to changes in the organizational, regulatory, and social environment. In doing so, the company ensures a consistent and sustainable framework for human capital management, aimed at safeguarding long-term organizational stability and development.

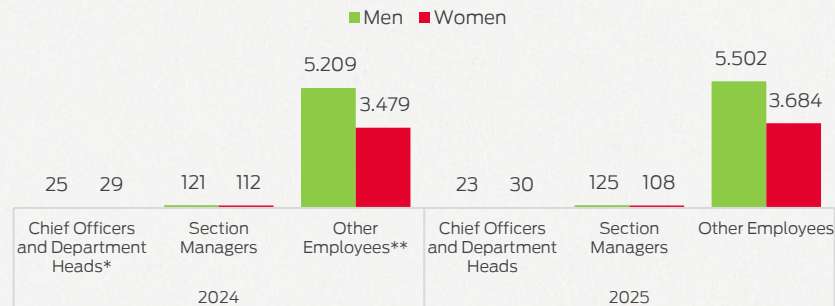
As of 31 December 2025, Telekom Srbija employed 9,472 people, reflecting a stable organizational structure and a strong base of human capital. Employees, as professionals and professionals across diverse disciplines, constitute a key resource in achieving the company's strategic objectives and delivering sustainable business results. Their expertise, experience, and engagement consistently contribute to positioning Telekom Srbija among the leading telecommunications operators in the region.

A comparative overview of the age and gender structure of employees for 2024 and 2025 indicates a moderate increase in the total number of employees, while maintaining a stable and balanced distribution across age groups. At the same time, a slight increase has been recorded in the younger and middle employee categories, accompanied by a modest decrease in the number of employees over the age of 50.

The analysis of the age and gender structure of management in 2024 and 2025 demonstrates stability in the overall number of executives, accompanied by a positive shift in terms of gender diversity. A notable increase has been observed in the composition of women within the 30–50 age category, confirming the consistent advancement of gender balance in managerial positions and the company's commitment to inclusive and responsible human resource management.

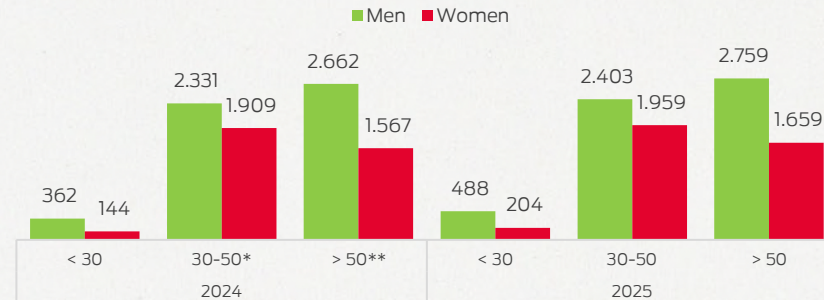
At the level of top management, the composition of men and women has remained balanced, confirming the company's consistency in maintaining gender equality at the highest level of management.

Employees by gender and job category



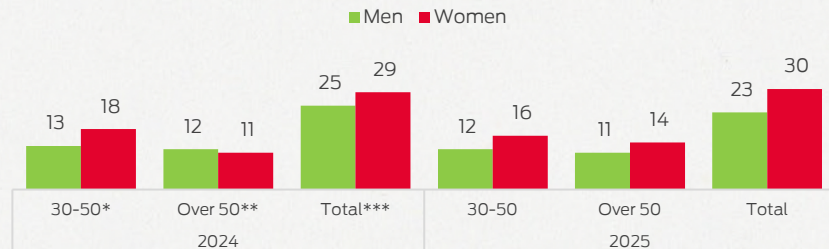
*The 2024 data for Executive Directors and Sector Directors by gender has been reviewed and adjusted to 25 men and 29 women, instead of 24 men and 27 women as previously reported in the 2024. **The 2024 data for other employees by gender has been reviewed and adjusted to 5.209 men and 3.479 women, instead of 5.210 men and 3.481 women as previously reported in the 2024 Sustainability Report.

Employees in fixed and indefinite employment by gender and age



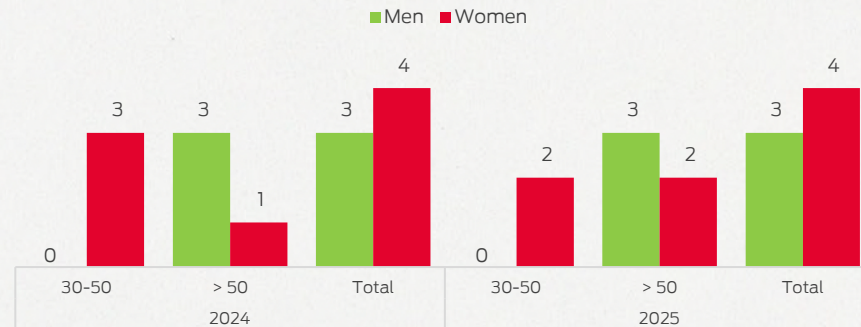
*The 2024 data by age structure "30-50" has been reviewed and adjusted to 2.331 men and 1.909 women, instead of 2.128 men and 1.764 women as previously reported in the 2024 Sustainability Report. **The 2024 data by age structure "Over 50" has been reviewed and adjusted to 2.662 men and 1.567 women, instead of 2.865 men and 1.712 women as previously reported in the 2024 Sustainability Report.

Management by gender and age



*The 2024 data by age structure of management "30-50" has been reviewed and adjusted to 18 women, instead of 17 women as previously reported in the 2024 Sustainability Report. **The 2024 data by age structure of management "Over 50" has been reviewed and adjusted to 12 men and 11 women, instead of 11 men and 10 women as previously reported in the 2024 Sustainability Report. ***The 2024 data by age structure of management has been reviewed and adjusted to 25 men and 29 women, instead of 24 men and 27 women as previously reported in the 2024 Sustainability Report.

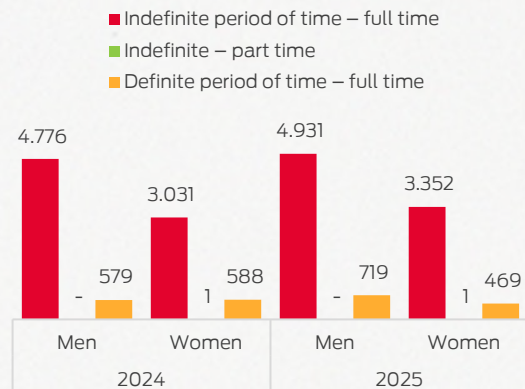
Top Management by gender and age



In 2025, the overall gender structure of employees remained consistent with the previous year, maintaining a ratio of 40% women and 60% men. This continuity reflects the company's consistent approach to ensuring balanced gender representation across the workforce. The proportion of women in the total workforce reached 40.4% in 2025, surpassing the ESG strategy target of 38% set for 2025.

The gender composition of top management shows that women account for 57% of the total membership. This structure reflects the stable inclusion of women at the highest executive levels and contributes to a balanced and responsible approach to strategic decision-making within the company.

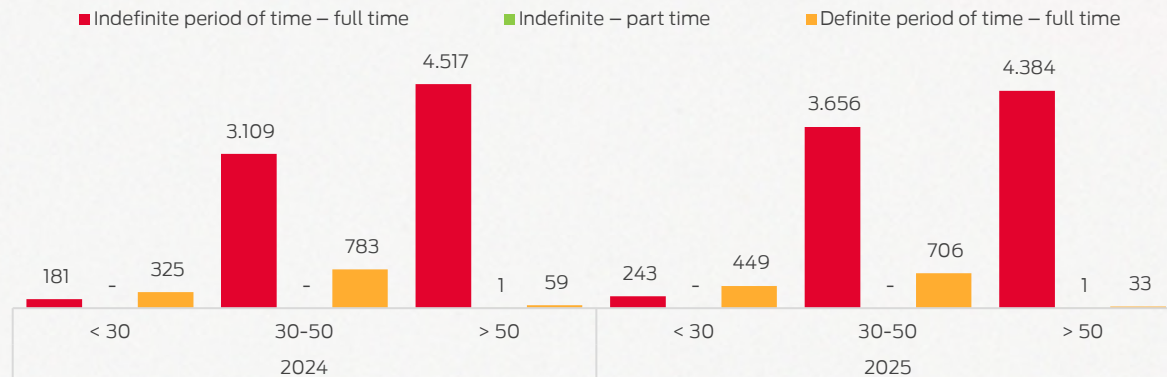
Employees by contract type and gender



The structure of employment modalities in 2024 and 2025 demonstrates continuity in the forms of engagement. In both reporting periods, full-time permanent employment remained the predominant form of workforce engagement, while other modalities were present to a limited extent. This structure reflects the company's stable approach to work organization and workforce management.

At the end of 2025, the structure of employees by type of employment and age groups confirms that full-time permanent employment remains the dominant form of workforce engagement. An increase has been observed in the number of employees under the age of 30 engaged on full-time fixed-term contracts, while the structure of employees in the 30–50 age group has remained stable compared to the previous year.

Employees by type of contract and age

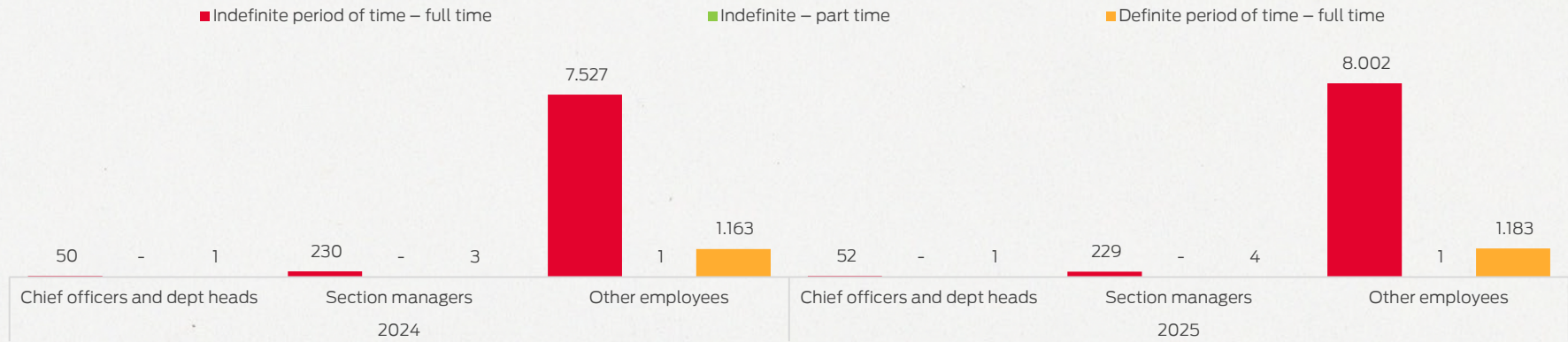




Within management positions (chief officers, department heads, and section managers), the number of employees has remained at approximately the same level, with contracts predominantly full-time and fixed-term. The majority of the workforce is comprised of other employee categories, where growth was recorded in 2025, accompanied by a slight increase in fixed-term engagements, indicating a certain level of flexibility in workforce management. The representation of part-time employment remains minimal.



Employees by type of contract and job category

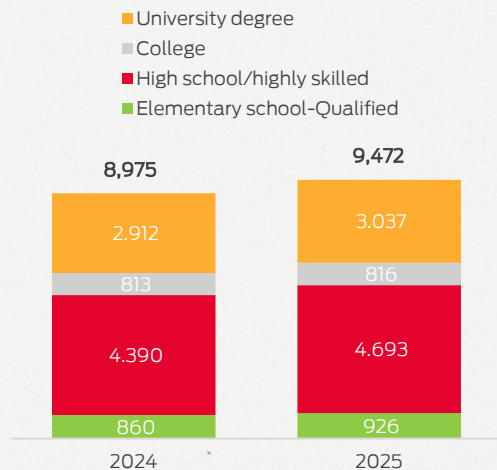


The educational structure of employees at Telekom Srbija encompasses various levels of qualifications, ensuring the integration of knowledge and skills necessary for the effective execution of complex business tasks. In 2025, a moderate increase was recorded across all educational categories compared to the previous year, in line with the overall growth in the number of employees. Secondary education remains the most represented category, accompanied by a moderate rise in employees with college and university education. All members of top management have a university degree.

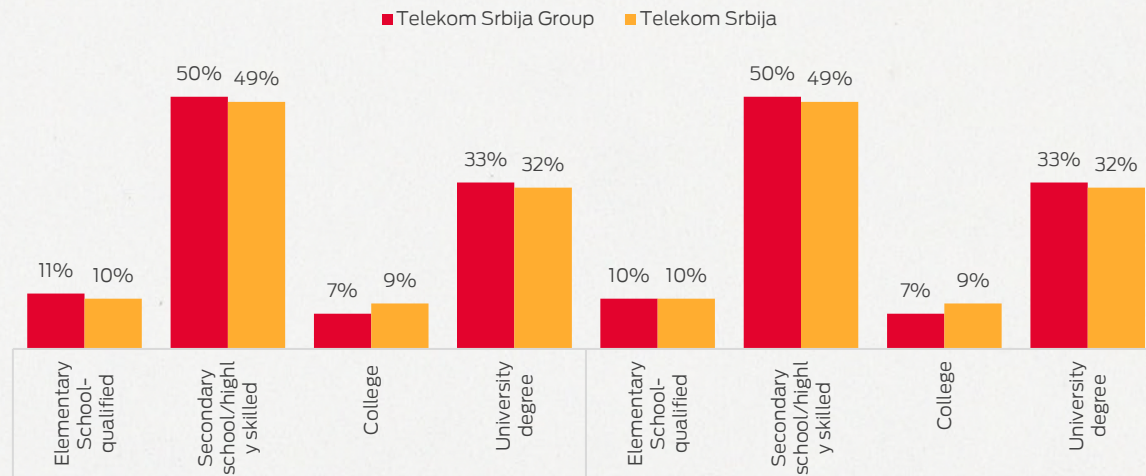
In the observed period, the educational structure of employees within the Telekom Srbija Group and Telekom Srbija demonstrates a balanced representation of different qualification levels, aligned with diverse business needs. Employees with university education account for a significant share of the workforce in Telekom Srbija (32%), while secondary education remains the most represented category. The number of employees with college education, as well as those with lower qualifications, has remained stable, without notable changes compared to the previous period.

Human resources management at Telekom Srbija is focused on attracting, developing, and retaining qualified personnel in line with the company's business needs. The recruitment process is based on the principles of equal opportunity, professional competence, and non-discrimination, with the application of an inclusive approach in all stages of selection and employment.

Educational structure of employees



Educational structure in % of employees – Group vs Telekom Srbija



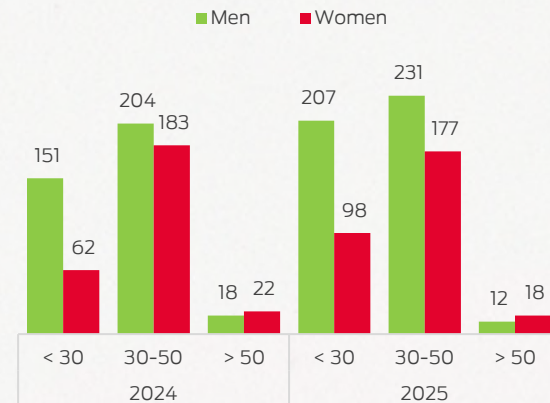


Data on new hires in 2024 and 2025 indicate a diverse age and gender structure, accompanied by an increase in the total number of new employees in 2025. The largest share of new hires continues to come from the 30–50 age group, while both genders are represented across all age categories. At the same time, an increase in the employment of individuals under 30 has been recorded, pointing to a strengthening inflow of younger personnel.

The structure of new hires in 2025 reflects a continued focus on attracting younger personnel, while maintaining a balanced age distribution. Employees under the age of 30 account for 41% of total new hires, whereas the largest share was recorded in the 30–50 age group (55%). The stable participation of employees over 50 additionally contributes to the preservation of organizational knowledge and experience, while simultaneously strengthening the company's capacity for future development.

When observed by gender structure, in 2025 a similar ratio was maintained as in the previous period, with men representing the majority share (61%). Both genders are present across all age categories, confirming the application of equal opportunity principles in the recruitment process.

Number of new employees by age and gender





In 2025, alongside employees in regular employment, Telekom Srbija engaged 2,301 employees through employment agencies, maintaining a level comparable to the previous year. For individuals engaged via employment agencies, the Company ensured working conditions and the exercise of rights in line with applicable legislation and internal by-laws, with strict adherence to the principles of equal treatment and non-discrimination. The engagement through agencies is conducted under high compliance standards, aligned with those applicable to permanent employees.

Persons engaged through employment agencies were predominantly involved in operational, technical, and sales activities, in line with business needs. Variations in their overall number during the reporting period were largely the result of a portion of agency employees transitioning into direct employment with Telekom Srbija. This reflects the presence of internal mobility and the integration of externally engaged resources into permanent employment, further supporting the Company's commitment to workforce development and sustainable employment practices.

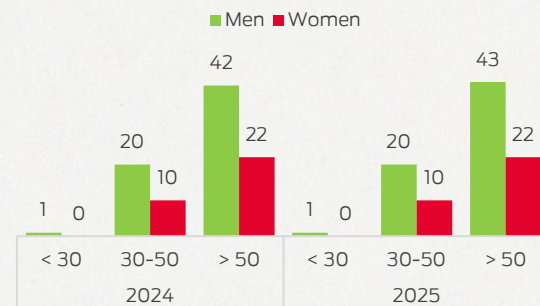
Engaged through leasing agencies



Telekom Srbija applies the principles of equal opportunity and inclusion, with a particular focus on gender equality and the employment of persons with disabilities. In 2025, the Company employed 96 persons with disabilities, representing 1.01% of the total workforce and marking a slight increase compared to the previous year. For these employees, tailored working conditions, technical support, and training programs are provided, in accordance with applicable regulations and internal policies.

In 2025, when observed by age and gender structure, the majority of employees with disabilities continued to be part of the older age groups, while stable participation was recorded in the middle and younger groups. The gender distribution remained balanced across the observed categories, with no significant deviations compared to the previous year.

Employees with disabilities by gender and age structure



In 2025, the employee fluctuation rate showed a slight increase for both genders compared to the previous year, while maintaining the relative differences between men and women. Men continued to exhibit a somewhat higher rate of departures in comparison to women.

In 2025, the overall employee fluctuation rate was 2.7%, which is below the level defined by the Company's ESG strategic commitments (8.00%). The achieved result indicates a high degree of workforce stability and confirms the consistent application of best practices aimed at employee retention and responsible human resource management.

Employee fluctuation	During 2024	During 2025
Women	2.15%	2.47%
Men	2.67%	2.80%

In 2025, the dynamics of employment terminations indicated moderate changes in the age and gender structure compared to the previous year. The most pronounced changes were recorded in the age group above 50, accompanied by a noticeable increase in departures among younger employees as well as those in the 30–50 age group.

In 2025, the overall volume of employment terminations remained at a level comparable to the previous year. Employees over the age of 50 continued to account for the largest share of total departures, confirming the existence of a stable and consistent pattern of workforce movement within this age group.

Termination of employment by gender and age structure

	During 2024		During 2025	
	Men	Women	Men	Women
< 30	17	9	19	8
30 - 50	28	25	17	13
>50	98	44	118	71
Total	143	78	154	92

To ensure equal pay for men and women for work of equal value within the same professional categories, Telekom Srbija implements an equal pay policy. The remuneration system is based on objective criteria, including job level and responsibilities, with consistent application of uniform principles regardless of gender.

In 2025, average gender pay gaps were recorded within the analysed job categories. Among employees, the average pay gap is 5,9% in favour of women. For Level 3 managers, a negligible difference of 1,8% in favour of women was recorded, while in the group of executive directors and sector directors (Level 1 and 2 managers), the difference was 4% in favour of women. Such discrepancies are considered moderate and are predominantly the result of workforce structure and statistical factors, with no indication of systemic inequalities. The percentage of employees receiving the minimum wage is 0%, confirming that all salaries are above the legally prescribed minimum.

In 2025, with regard to salary ratios, the total annual remuneration of the highest-paid individual was 7.07 times greater than that of the median employee, while the percentage increase ratio stood at 1. All employees, including the highest-paid individual, received two salary increases during the year – 5% in March and an additional 7% in November. These adjustments were implemented in line with the Company's Business Plan and the agreement between the trade unions and management, and were applied equally to all employees as well as to those engaged through employment agencies.

4.1. Human Recourses Management

Telekom Srbija continuously enhances measures aimed at employee well-being, while supporting professional development and the alignment of business and private responsibilities. The company's approach to human resource management is based on the principles of fairness, inclusion, and employee support, through the implementation of policies that contribute to the long-term sustainability of operations and the strengthening of corporate culture.

The remuneration policy encompasses fixed and variable salary components, as well as a range of benefits, and is based on internal job analyses, market benchmarking, and regular evaluations. Compensation determination processes are carried out with the approval of the relevant corporate bodies and in cooperation with the Human Resources Division.

Telekom Srbija holds the full Family Friendly Enterprise (FFE) certificate, which confirms a high level of compliance with family-responsible policies and internationally recognized principles of employee care. The FFE certification status is the result of years of implementing comprehensive measures, programs, and benefits aimed at providing systemic support to employees and enhancing the balance between professional and private life.

By obtaining this certificate, it has been confirmed that family-responsible practices are permanently embedded in the human capital management system and that the company consistently develops a work environment that values flexibility, employee well-being, and a sustainable approach to organizational culture.



In the reporting year, a total of 4,711 FFE measures were implemented, thereby achieving the target of at least 4,700 measures defined in the ESG strategy for 2025.

FFE measures	During 2024	During 2025
Using flexible working hours	3,934	4,200
Free day for children starting the first grade	244	251
Reduced working hours after maternity leave	251	235
Double solidarity aid for the birth of the 3rd and 4th child	36	25
Total	4,465	4,711

Telekom Srbija continuously develops its benefits system with the aim of enhancing employee well-being, satisfaction, and engagement. The benefits package includes various forms of support, such as voluntary pension insurance, health insurance covering illness, surgical interventions and injuries, organized specialist medical examinations, solidarity aid, health recreation and rehabilitation programs, financial support for housing needs, as well as allowances for the purchase of New Year's gifts for employees' children.

As part of improving employee health care, the company has focused on ensuring the availability of preventive medical examinations, with the ESG strategy for 2025 setting a target of at least 3,000 employees undergoing regular health check-ups. In 2025, this form of support was utilized by 3,010 employees.

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 2025, the number of users of flexible benefits amounted to 1,368 employees, which further strengthened the company's approach to supporting employees through personalized programs.

The parenting support policy of Telekom Srbija goes beyond legal requirements and includes a number of measures to ease the transition to work after maternity leave and childcare leave. These measures include a gradual return to work and flexible working hours, enabling employees to more easily reconcile professional and family responsibilities.

Consistent implementation of these measures has enabled the company to continuously record a 100% return-to-work rate following parental leave, including 2025, thereby achieving the target defined in the ESG strategy for the reporting period. During 2025, one male employee exercised the right to childcare leave.

The following indicators present parental leave utilization and return-to-work rates in 2024 and 2025:

	During 2024		During 2025	
Parental Leave use Indicators	Men	Women	Men	Women
Employees entitled to leave	5,355	3,620	5,650	3,822
Employees who took leave	4	135	1	151
Return to work after leave	4	135	1	151
Retention 12 months after return	4	135	1	151
Return and retention rates (%)	100%	100%	100%	100%

It is particularly important to emphasize that 100% of Telekom Srbija employees are covered by the Collective Agreement, representing the highest standard of labor rights protection. This act transparently defines numerous benefits beyond the legal minimum, including: grounds for extending annual leave and paid leave, salary increases (for overtime, night and shift work, and years of service), monthly performance-based incentives, employees's share in the company's business results, payment of severance pay upon retirement in an amount higher than the legal minimum, jubilee awards (for 10, 20, 30, 35, and 40 years of service), as well as the possibility of using interest-free loans.

4.2. Safety and Health at Work as a Strategic Priority of the Company

Telekom Srbija consistently places the creation and preservation of a safe and healthy working environment among its key strategic priorities, which is confirmed through the continuous and successful application of the international ISO 45001 standard. The Company is guided by the principle that there is no sustainable business success without safe and healthy employees, regardless of whether work is performed in office premises, in the field, or under demanding technical conditions. All employees are entitled to work in an environment that protects their physical, mental, psychological, and social well-being, irrespective of the type of engagement or working conditions.

The occupational health and safety management system is fully integrated into all business processes, where hazard identification and risk assessment represent the foundation for proactive and preventive action. Beyond strict compliance with legal requirements, Telekom Srbija strives to meet and exceed the expectations of all relevant stakeholders, including employees and the wider community.

The system is supported by a dedicated team of approximately 30 occupational health and safety professionals, who provide daily operational support, expert advice, and education to employees. Through their engagement, the Company continuously strengthens a culture of responsibility and care, ensuring that occupational health and safety becomes an integral part of everyday corporate practice rather than a mere formal obligation.

Key activities implemented during 2025 include

- **Training for safe work:** Continuous employee training remains a fundamental preventive measure. During the year, specialized training programs were conducted for operating concrete cutting machines and for working on telecommunications towers, with a total of 303 employees successfully trained.
- **Medical examinations:** The Company's strong focus on employee health is reflected in the implementation of periodic medical examinations, which covered 2,090 employees, while an additional 3,010 employees were referred for specialist examinations for the purposes of prevention and early diagnosis. As a result, the KPI value defined within the ESG strategy was exceeded.
- **Health rehabilitation and recreation:** Recovery and resilience-strengthening programs were organized for employees exposed to increased physical strain and occupational risks. These programs were utilized by 580 employees, thereby actively contributing to the preservation of their long-term health and work ability.
- **Prevention of injuries at work:** The Company's strategic objective is the elimination of serious and fatal occupational injuries. During 2025, a total of 15 serious and 69 minor injuries were recorded. The prevention approach is based on a detailed analysis of each individual incident and the continuous, systematic improvement of protective and organizational measures.
- **Procurement and issuance of personal protective equipment (PPE):** More than 3,500 employees are provided with adequate, functional, and comfortable personal protective equipment. The use of PPE is regularly monitored and controlled in order to ensure its effectiveness and proper application.

In addition to regular activities, during 2025 particular focus was placed on the implementation of requirements arising from the new Law on Occupational Safety and Health, as well as the related bylaws. Although the legislator extended the deadline for full compliance with certain regulatory provisions until 2026, Telekom Srbija's professional services proactively and intensively approached the updating of internal acts and the introduction of new requirements into the Company's internal regulations.

These extensive activities included a comprehensive review and alignment of internal regulations, improvement of record-keeping practices in the field of occupational safety and health, the definition of new procedures for inspections and testing of work equipment, assessment of working environment conditions, as well as the clear and precise definition of preventive measures for safe and healthy work.

Through this approach, the Company does not wait for final statutory deadlines, but instead ensures a high level of employee protection and full compliance with applicable regulations in a timely manner. This was further confirmed by the highest green rating of internal controls awarded during the Audit of the Implementation of the Law on Occupational Safety and Health (internal audit reference No. 1R01-2025).

Occupational safety and health

	During 2024	During 2025
Employees in high-risk jobs	1,983	2,090
Occupational injuries with minor injuries*	71	69
Serious occupational injuries**	19	15
Fatal workplace accidents	0	0

*Out of 69 injuries in 2025, 43 are related to work.

**Of 15 injuries in 2025, 6 are related to work.

Telekom Srbija provides collective insurance coverage for all employees against the consequences of accidents (injuries) at work and outside work (24-hour coverage), as well as against serious illnesses and surgical interventions. The right to payment of the insured sum, upon the submission of a compensation claim by insurance companies, was approved for a total of 348 insured cases in 2024, while in 2025 this right was approved for a total of 416 insured cases.

In addition, Telekom Srbija ensures enhanced employee protection through collective insurance, with increased insured amounts for employees assigned to positions with increased occupational risk.





In 2025, a slight decrease was recorded in the number of occupational injuries resulting in sick leave among male employees, while a significant decrease was recorded among female employees. The number of injuries occurring while commuting to or from work decreased among men, while an increase was recorded among women. The total number of lost working days due to occupational injuries increased significantly compared to 2024, indicating longer employee absences and extended recovery periods.

Work injuries	During 2024		During 2025	
	Men	Women	Men	Women
The number of work-related injuries that led to sick leave at the workplace	48	12	43	6
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	16	14	15	20
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	5,353	3,622	5,650	3,822
Number of hours worked during the year		2,024		2,080
Number of lost working days due to occupational injuries	1,311	437	1,862	969
Number of hours lost		13,984		22,648
Total number of hours worked (number of employees × number of working hours per year)		18,165,400		19,701,760
Occupational injury rate*		3.3		2.48
Rate of lost working days**		0.09		0.14

*Methodology used: Total number of injuries resulting in sick leave / total number of hours worked × 1,000,000 (Lost Time Injury Frequency Rate).

**Number of lost working days / total number of hours worked × 1,000 (Rate of lost working days).

At Telekom Srbija, no fatal occupational injuries were recorded during 2024 and 2025, either among employees or among third-party workers. In 2025, the number of serious occupational injuries was reduced for both men and women.

The total number of occupational injuries decreased compared to 2024, while falls from height remained the leading cause of work-related injuries. Although the main hazards and causes of injuries remained unchanged, the total number of lost working days and hours increased, indicating a slower recovery and rehabilitation process following occupational injuries. All injuries and related corrective and preventive measures were recorded in accordance with the ISO 45001 standard and the Risk Assessment Act.

Employee occupational injuries	During 2024		During 2025	
	Men	Women	Men	Women
Number and rate of fatal occupational injuries	0	0	0	0
Number of serious occupational injuries	8	1	6	0
Total number of occupational injuries	48	12	43	6
Main type of injury	Fall from height			
Number of occupational injuries to third-party workers	0	0	0	0
Number of serious injuries to third-party workers	0	0	0	0
Number of fatal injuries to third-party workers	0	0	0	0
Number of hours worked by third-party workers	0	0	0	0
Main hazards	Work at height, physical instability, work in areas of non-ionizing radiation, non-physiological body posture			
Causes of serious injuries	Fall from height			
Injury elimination measures	Incident investigation, corrective measures (Risk Assessment Act)			
Standards and methodologies	ISO 45001, Risk Assessment Act, injury records			
Work related illnesses	None recorded			

Telekom Srbija believes that caring for employees means dedication to every detail, as safety and health are not merely statistical indicators, but standards by which the quality of working life is measured.

In addition to mandatory occupational safety and health training, employee development at Telekom Srbija is systematically implemented through continuous, carefully designed educational and development-motivational programs. These programs are particularly focused on the development of management, identified talents, and other employees, and encompass a wide range of activities, including internal and external training, business simulations, access to modern knowledge databases, team-building programs, and various forms of professional development.

Additional support for employee development is provided through the use of an internal online learning platform, actively engaging employees in building a culture of continuous learning and professional growth, while fostering shared responsibility for their individual development paths.

The approach to employee development is based on the principles of lifelong learning and continuous improvement of competencies. Telekom Srbija proceeds from the standpoint that, in the context of accelerated digital transformation and rapid technological change, continuous investment in employee knowledge and skills represents a strategic imperative and one of the key factors for maintaining the Company's competitiveness and innovative potential.

During the reporting period, employees spent a total of 55,127 hours in various forms of training, exceeding the projected KPI of 40,000 hours by more than 37%. On average, each employee participated in nearly five hours of educational activities, further confirming a high level of engagement and interest in personal and professional development. This result was achieved through expanded learning opportunities, as well as strong, systematic, and continuous engagement of the HR function in increasing the scope, accessibility, and diversity of educational content. Through targeted initiatives and a proactive approach, employees were provided with additional opportunities for competency development, resulting in a direct and measurable contribution to strengthening organizational capacities at all levels.

	During 2024	During 2025
Total number of training hours	42,421	55,127
Total number of employees	10,737	11,773
Average number of training hours per employee	4	4.7

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

	During 2024	During 2025
Total number of training hours – men	19,208	30,370
Average number of training hours per employee – men	3.1	4.5
Total number of training hours – women	23,213	24,757
Average number of training hours per employee – women	5	4.9

The programs implemented during the reporting period were characterized by a high level of diversity, relevance, and carefully designed content, with the objective of addressing the varied development needs of employees, enhancing their competencies, and supporting long-term professional growth.

A wide range of topics was covered, encompassing professional and technical training, the development of soft skills such as communication, leadership, time and stress management, and teamwork, as well as areas related to digital competencies, innovation, agile methodologies, and the enhancement of employee well-being.



This comprehensive approach enabled employees to continuously develop in line with the requirements of their current roles, while also expanding the knowledge and skills necessary to successfully respond to future business challenges.

Below is an overview of development programs by category:

Training by category	During 2024			During 2025		
	Number of participants	% of men	% of women	Number of participants	% of men	% of women
Statutory training	106	100%	0%	351	96%	4%
Professional training	372	51%	49%	826	56%	44%
Soft skills training	1,251	43%	57%	1,042	45%	55%
Team-building	602	48%	52%	755	46%	54%
Other professional development (professional exams, licenses, schooling)*	243	64%	36%	963	49%	51%

*In addition to professional training, based on clearly defined criteria, Telekom Srbija also finances the final years of employee education, the taking of professional examinations, and the acquisition of certificates and licenses issued by domestic and international organizations, such as Responsible Designer, Responsible Contractor, PMP, Certified Scrum Master, Certified Product Owner, CISCO, GIAC, IBBA, ISO 31000 Lead Risk Manager, and others.

Performance evaluation and career development represent key components of human resources management, directly influencing employee motivation, engagement, and professional development. Presented here are the assessment processes initiated for the purpose of evaluating the results achieved in 2025, identifying strengths, challenges, and potential areas for improvement, with the aim of creating a stimulating and sustainable working environment.

The performance evaluation process covered a total of 4,595 individuals, representing 39% of the Company's total workforce.

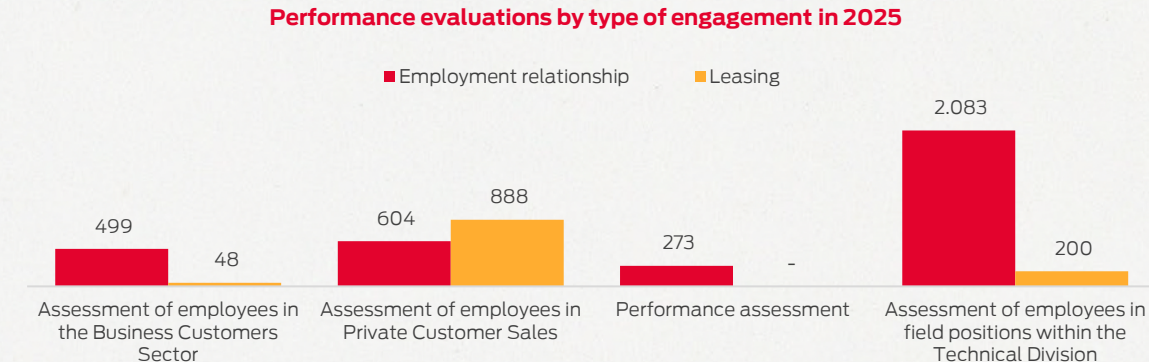
The key components of the performance evaluation and career development system include:

1. Setting performance objectives and clarifying expectations

– At the beginning of the year, employees and managers jointly define SMART objectives aligned with the Company's strategic directions and ongoing projects, while also taking into account individual employee development needs;

2. Continuous feedback – Through formal check-in discussions and informal feedback, employees receive timely guidance aimed at improving performance and achieving results through appropriate behaviors;

3. Annual evaluation – A comprehensive evaluation of achieved results and demonstrated behaviors, assessed against a defined competency framework, incorporating employee self-assessment and managerial appraisal;



4. Development planning – Based on the evaluation results, taking into account goal achievement and demonstrated behaviors, individual development plans are defined, which may include formal training, mentoring, project-based work, and other development activities;

5. Link to the reward system – Evaluation results have a direct impact on the variable component of remuneration, bonuses, and opportunities for career advancement, thereby further strengthening the connection between performance and reward.

Special emphasis is placed on the Talent Management Program, which identifies employees with high performance and potential, as well as a demonstrated readiness for learning and development, and provides for the design of their individual development plans. Identified key resources and talents are supported through various development modalities, including formal training, mentoring, participation in projects, and team-building activities, with the aim of increasing employee satisfaction and retention. In 2025, in accordance with Telekom Srbija's Talent Management Methodology, 258 employees identified as key resources and talents participated in one or more development modalities, with some of them achieving advancement to higher positions within the Company.



4.3. Community Support and Social Responsibility

The structure of Telekom Srbija's socially responsible activities in 2025 was aligned with the Company's ESG strategy. It was based on identified needs of local communities while simultaneously responding to defined strategic priorities. Projects were implemented in the areas of education and youth development, environmental protection and biodiversity conservation, strengthening of the healthcare system, support for vulnerable social groups, preservation of cultural heritage, and support for non-commercial sports activities for children and youth.

During 2025, a total of 98 projects and programs were supported, contributing to the achievement of sustainable and positive impacts within the community. Education and youth empowerment remained a long-term strategic focus of Telekom Srbija, while increased investment in healthcare and humanitarian projects further demonstrated the Company's social responsibility and readiness to respond to current community needs.

Projects and activities implemented in 2025 were structured according to areas of social impact, thereby demonstrating Telekom Srbija's strategic commitment to creating sustainable value within the community.

• **Science, education and youth empowerment:** Telekom Srbija consistently develops long-term programs aimed at enhancing knowledge, digital skills, and the entrepreneurial spirit of young people, primarily through the umbrella program "Pokrećemo pokretače" ("Empowering the Movers"), which represents the Company's central framework for investment in this area.

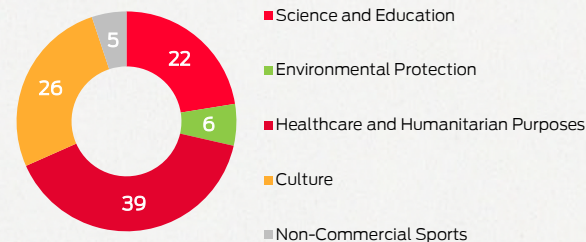
Strong interest among secondary school students in the development of digital solutions was further confirmed during the 14th cycle of the "mts app competition". The project encourages innovation, teamwork, and the development of entrepreneurial thinking among students. Support for talented young people is also provided through the "Telekom uz talente" ("Telekom Supporting Talents") program, which offers incentives to pupils and students in the development of their knowledge and skills.

As part of long-term activities focused on the development of digital competencies among primary school students, through the "Stvaramo znanje" ("Creating Knowledge") project and the equipping of school IT classrooms, the Company contributes to the enhancement of digital literacy. At the same time, through the "Dečji svet je veći od ekrana" ("The Children's World Is Bigger Than the Screen") project, attention is drawn to the importance of controlled and responsible use of digital technologies from an early age.

• **Environmental protection:** Telekom Srbija continues to apply a responsible approach to nature and environmental preservation. Long-term support to associations and experts engaged in the protection of key species is implemented through the environmental project "Nijedna vrsta ne umire sama" ("No Species Dies Alone"), with the aim of preserving biodiversity and achieving a long-term positive impact on ecosystems.

The Company's extensive and robust mobile network enables experts to apply advanced technologies in the monitoring and protection of endangered species, thereby providing significant support to scientific research in this field. In addition to financial support for the procurement of specialized equipment and the implementation of experts' field activities, the added value of the project is reflected in public education on the importance of biodiversity conservation as a foundation of a healthy environment.

The number of supported projects and programs in accordance with the specific needs of local communities during 2025



- **Healthcare and humanitarian purposes:** Investments in projects and initiatives in the areas of healthcare and social welfare are aimed at strengthening the capacities of healthcare and social institutions, as well as improving the accessibility of services intended for vulnerable social groups. Activities implemented during 2025 contributed to the enhancement of treatment conditions, rehabilitation processes, and day-to-day support for beneficiaries of healthcare and social services.

Support was provided to a wide range of institutions and organizations across Serbia, including centers for children and youth, associations of persons with disabilities, and institutions providing care for the elderly. The activities focused on the procurement of medical and other specialized equipment, improvement of technical working conditions, as well as the implementation of healthcare, social, and rehabilitation support programs.

- **Culture:** By supporting projects and initiatives in the field of culture, Telekom Srbija contributes to the development of the cultural life of the community, the preservation of cultural heritage, and the improvement of access to cultural and educational content for a wider audience. During 2025, activities of cultural institutions, associations, and organizations implementing programs in the fields of literature, music, performing and visual arts were supported, as well as events that promote both tradition and contemporary artistic expression.

Special attention was devoted to programs intended for children and youth, as well as to initiatives contributing to the expansion of cultural offerings in local communities across Serbia. Support included the implementation of festivals, exhibitions, and educational programs, as well as the improvement of technical and infrastructural working conditions of cultural institutions.

- **Non-commercial sports:** The Company contributes to the development of sports habits, team spirit, and healthy lifestyles among children and youth by supporting non-commercial sports programs. Activities are focused on encouraging participation in sports from an early age and creating conditions for the development of sports talents through professionally guided training and accessible sports programs within local communities. Particular attention is devoted to initiatives that promote equal access to sports activities and the empowerment of girls and young women through sports.

During 2025, within its local community support program, Telekom Srbija supported a total of 98 projects and initiatives, thereby exceeding the target defined in the ESG strategy for the year, which envisaged support for at least 80 projects. The Company's strategic framework further предусматрива that more than 50% of total donations be allocated to projects in the fields of science and education, as priority areas of long-term social investment.

During the reporting period, the structure of support was partially adjusted to respond to current community needs, resulting in a significant share of funds being directed toward healthcare and humanitarian projects. This approach enables the Company, while consistently implementing its strategic objectives, to also respond effectively to specific social challenges within the community.



Awards and recognitions

For its socially responsible activities and support to local communities, Telekom Srbija received several awards and recognitions in 2025:



Award Name	Organizer	Award description
CSR & ESG Forum 2025 Awards – Partnership and Community Empowerment Category	Responsible Business Forum and Smart Kolektiv	Award for the long-term and strategic partnership with the Mathematical Grammar School in Belgrade
CSR & ESG Forum 2025 Awards – Partnership and Community Empowerment Category	Responsible Business Forum and Smart Kolektiv	Recognition for continuous support to the Women's Basketball Movement "Marina Maljković"
Special Recognition for the project "The Children's World Is Bigger Than the Screen"	Serbian Chamber of Commerce	Recognition for support to the local community and promotion of the controlled use of digital devices among children
Golden Donor Award for support to the Mathematical Grammar School in Belgrade	Mathematical Grammar School in Belgrade	Recognition for long-term support to young talents and the promotion of knowledge as a core 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.



Development of Digital Infrastructure in Rural Communities

In close cooperation with the Ministry of Information and Telecommunications, Telekom Srbija is actively implementing a strategic project aimed at the construction of broadband infrastructure in rural areas. The objective of this initiative is to reduce the digital divide and enhance digital inclusion, thereby directly contributing to social and economic cohesion in less developed regions. While the Ministry is responsible for the implementation of the mid-mile segment of the network, Telekom Srbija is in charge of building the access network within settlements, enabling direct connectivity to end users.

By the end of 2025, the construction of optical infrastructure was completed in 199 settlements, covering a total of 41,181 households. In 2026, the completion of the first phase of the project is planned, which will result in coverage of a total of 349 villages with approximately 50,000 households. At the end of 2025, contracts were also signed with the Ministry of Information and Telecommunications for the joint construction under the second phase of the Rural Broadband project, which includes the joint development of broadband infrastructure in 391 settlements, covering around 52,000 households.

This project not only contributes to improved digital connectivity but also strengthens the resilience of rural communities to crisis situations, while simultaneously stimulating local economic development through digital transformation.

In addition to fixed broadband infrastructure, Telekom Srbija makes significant investments in the development of wireless technologies in order to improve signal coverage in less accessible and rural areas.

At the end of 2025, population coverage with mobile signals reached 99.81% for 2G and 99.05% for 4G, representing the highest level of 4G coverage among all operators in Serbia. Accordingly, mobile network testing results confirm Telekom Srbija's leading position, as further validated by independent measurements conducted by the German company NET CHECK in the segments of voice and data traffic.

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

Non-ionizing electromagnetic radiation from mobile telecommunications base stations

Although emissions of non-ionizing radiation from base stations of the mobile wireless access network are subject to strict standardization and regular monitoring, their operation inevitably contributes to the overall electromagnetic environment. For this reason, particular attention is paid to the prevention of public exposure to electromagnetic fields.

Such prevention is implemented through careful network planning, the use of modern and certified equipment, the preparation of expert assessments of environmental load, the conduct of environmental impact assessment studies, the measurement of electromagnetic field levels, as well as through informing and educating the public on the responsible use of telecommunications devices.

The category of non-ionizing radiation also includes low-frequency electromagnetic fields, which may originate, for example, from transformer substations. Telekom Srbija monitors these sources of radiation as well by engaging authorized laboratories that carry out measurements and verify compliance of exposure levels with applicable legal regulations.

Given that the Company's core activity is the provision of telecommunications services, among which mobile telephony occupies a significant position, the access network comprises a large number of base stations. Managing the potential impacts of their operation on the environment and the population represents an important part of the Company's operational practice.

Activities are focused on the control and reduction of exposure to non-ionizing radiation and include continuous network planning, electromagnetic field measurements, the implementation of environmental impact assessment procedures, as well as cooperation with public authorities, professional organizations, and the civil sector.

In 2025, the Company implemented:

- 412 measurements covering 1,486 base stations,
- 320 expert environmental load assessments (EELA), including measurements for 1,147 base stations,
- 25 environmental impact assessment studies covering 80 base stations,
- 21 public consultations related to environmental impact assessment studies,
- 101 inspection controls related to the operation of base stations, covering 396 base stations.

Taking the above into account, it is evident that Telekom Srbija services are available to all interested citizens across the entire territory of the Republic of Serbia. Every potential as well as existing customer is fully informed about the services provided by the Company.

Through the website www.mts.rs, interested residential and business customers can obtain detailed information on Telekom Srbija's services, contractual terms, and price lists. In this manner, the Company operates in full compliance with the applicable legislation governing the telecommunications sector and provides transparent information to customers regarding its offer.



4.4. Customer Protection and Safety

Telekom Srbija does not offer products within its portfolio that pose a high risk to the customer's physical health. Nevertheless, the Company recognizes the responsibility arising from the nature of its services and continuously improves its processes in order to ensure customer safety, reliability, and protection across all segments of its operations.

The focus is placed on safeguarding health, ensuring the safe use of equipment and infrastructure, protecting the digital environment, as well as ensuring service availability in situations relevant to safety and health.

In this context, the company systematically assesses and manages potential impacts through the following areas:

1. Electromagnetic field exposure

The provision of telecommunications services involves the use of network infrastructure, including base stations and associated equipment that emit radiofrequency fields. This area is subject to regulatory oversight and standardized measurements. Telekom Srbija carries out the prescribed environmental impact assessments and regular radiation measurements, while ensuring that all installations comply with applicable regulations and technical requirements.

2. Equipment and Network Infrastructure Safety

This area covers the safe use of fixed and mobile devices, routers, modems, and other network elements. Potential risks relate to improper use or damage to equipment. The Company applies technical controls, installation standards, and clear instructions for use, accompanied by continuous training of employees and partners involved in the installation and maintenance of systems.

3. Digital Wellbeing and Psychosocial Aspects

The increasing use of digital services may influence customers' habits and everyday behavior. Telekom Srbija addresses this topic through educational activities and awareness-raising initiatives focused on the responsible and balanced use of digital devices and content. By launching the campaign "A Child's World Is Bigger Than a Screen", which addresses the effects of early and excessive exposure of children to screens, the Company raises awareness of one of the global issues in the field of child development.

4. Digital Service Security and Data Protection

The protection of customer information and privacy represents a priority in the Company's operations. Potential risks related to data misuse are addressed through the implementation of an information security management system (ISO 27001), as well as through technical and organizational measures for protection against cyber threats.

5. Service Continuity and Emergency Response

Telecommunication services play a crucial role in communication during emergency situations, including contact with emergency services. The Company maintains a high level of network reliability, implements business continuity plans, and ensures priority support for relevant services. Special attention is also paid to the accessibility of services for sensitive and vulnerable customer groups.

During the reporting year, Telekom Srbija did not record any cases of non-compliance with applicable laws and regulations relating to the impact of products and services on the health and safety of customers.



4.5. User Data Privacy and Protection

As one of the leading telecommunications operators in Southeast Europe, the Telekom Srbija Group places the protection of user privacy and data security among its strategic priorities. This commitment is based on the understanding that user trust and data integrity are essential to sustainable business operations in the digital environment.

The foundation of the data privacy management system consists of comprehensive personal data protection documentation, available to all employees via the internal portal. This documentation provides a clear framework of responsibilities, processes, and controls, enabling systematic management of all aspects of personal data processing – from the identification and recording of processing activities, through privacy impact assessments, including assessments of risks to the rights and freedoms of individuals, in order to ensure a high level of protection, particularly when introducing new services, digital solutions, and technological enhancements, to the management of relationships with data processors and the implementation of the principles of privacy by design and by default.

The processing of users' personal data is carried out in a lawful, fair, and transparent manner, fully aligned with the Law on Personal Data Protection, relevant regulations, and the Company's internal procedures. In this way, user privacy is protected, trust is strengthened, and responsibility in data management is demonstrated.

Through the User Privacy Policy, published on the Company's official corporate website, users are provided with clear and detailed information on the manner in which their data are processed, as well as on the rights to which they are entitled and the ways in which those rights may be exercised. Through this approach, Telekom Srbija reaffirms its commitment to transparency and the protection of user data as part of its responsibility towards the community and its alignment with the highest standards in the field of privacy protection.

Telekom Srbija processes personal data in a manner that ensures a high level of protection, including protection against unauthorized or unlawful processing, as well as against accidental loss, destruction, or damage, through the application of appropriate technical, organizational, and human-resource security measures. Cybersecurity and the protection of user data are continuously enhanced through the application of international standards, thereby ensuring a high level of security, reducing exposure to cyber threats, and ensuring compliance with regulatory requirements, while advanced detection and remediation mechanisms contribute to the rapid and effective resolution of security challenges.

SIGURAN NET Surfuj bez brige



The Company applies a well-developed reporting and metrics system to monitor the effectiveness of protective mechanisms and to enable prompt incident response, thereby further strengthening business resilience and the trust of users, investors, and partners. Through the implementation of the ISO 27701 standard, the Company has enhanced its existing information security management system by introducing 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):

- Number of non-conformities with the requirements of ISO 27001 and ISO 27701 standards, with the objective of reducing this number to fewer than 10 cases per year over the next five years.
- Percentage of substantiated user complaints related to privacy violations in relation to the total number of complaints received, with the objective of reducing this figure to below 20% per year within a five-year period.

These indicators are utilized to identify potential areas of improvement, strengthen preventive measures, and ensure the continuous enhancement of systems designed for privacy protection.

In addition to technical and organizational measures, employee competence development is recognized as a key element of data protection.

Mandatory cybersecurity training is delivered across the organization, complemented by specialized training for employees handling sensitive data, thereby reinforcing responsible data management and privacy awareness.

Customer privacy	2024	2025
Number of non-compliances with information security and customer privacy management standards (ISO 27001 and ISO 27701)	15	15
Percentage of substantiated complaints related to user privacy violations in relation to the total number of complaints received	41%	31%

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

Starting from the importance of privacy protection as a driver of long-term business sustainability and strengthened user trust, Telekom Srbija will continue to enhance its privacy protection practices in line with regulatory developments, technological changes, and the expectations of users and investors.



4.6. Socioeconomic Responsibility and Compliance

Telekom Srbija's operations is fully aligned with the applicable laws and regulations in the socioeconomic domain. Compliance represents a fundamental pillar of the Governance component within the ESG Strategy for the period 2025–2029, which is focused on strengthening transparency, responsible management, the application of international standards, and the continuous improvement of internal processes.

Monitoring of the regulatory framework is carried out on a continuous and systematic basis, ensuring the timely identification and appropriate management of all relevant obligations. This includes areas such as labor relations, employee protection, consumer rights, as well as tax and financial requirements. Through this approach, the Company ensures consistent management of key compliance matters and ethical business conduct.

During the reporting period, no cases of non-compliance with laws or secondary legislation in the socio-economic sphere were recorded. This result indicates a high level of established internal control and preventive mechanism effectiveness, including the whistleblower protection system.





Annexes



Annex I. About the Report and Methodology

With its fifth ESG Report and the second prepared in accordance with the standards of the Global Reporting Initiative (GRI), the Telekom Srbija Group reaffirms the Company's commitment to development across all environmental, social, and economic areas. The Company's approach to sustainability closely follows changes in the business environment and emerging regulatory requirements. At the same time, it strategically addresses future challenges, in particular the accelerated digital transformation of the telecommunications sector and the increasing application of artificial intelligence.

The information presented reflects the Company's current assessments and positions based on the data available at the time of preparation of the Report. Certain indicators may be subject to change as a result of improvements in data collection methodologies, regulatory amendments, or other external factors. In cases where source data were not fully available, an appropriate estimation methodology was applied, with a clear explanation of the calculations and assumptions used. Telekom Srbija continues to continuously enhance its data collection and verification processes in order to ensure a high level of accuracy, reliability, and comparability of the disclosed information.

As in previous reporting periods, the Report is based on the following principles:

- **Materiality** – materiality assessments are conducted on a regular basis and stakeholder dialogues are held in order to identify the most significant ESG topics and to ensure appropriate reporting on their impacts;
- **Transparency** – through the publication of the annual ESG Report, stakeholders are provided with timely access to key non-financial information relevant for business cooperation and decision-making;
- **Comparability** – by applying the GRI Standards, the disclosed data are made comparable with the reports of other companies applying the same standards, regardless of the sector in which they operate.

The 2025 Report covers the operations of Telekom Srbija as the parent company, while the gradual expansion of the reporting scope to include all Group members is planned for the coming period, applying the same principles and methodology.

With the aim of further strengthening transparency and stakeholder trust, an independent audit firm, Crowe RS Advisory, was engaged to conduct external assurance, providing an additional level of credibility to the disclosed data and confirming alignment of the reporting with relevant standards and good practices of corporate transparency.

The Report is the result of collaboration among numerous organizational units of the Company and is based on contributions from expert teams in the areas of finance, human resources, environmental protection, legal affairs, corporate communications, and other relevant functions, with the active support of top management. In this way, the Company's strategic commitment to the integration of ESG principles across all segments of its operations is reaffirmed.

This Report covers the period from 1 January to 31 December 2025 and was published in April 2026, following the publication of the audited financial statements.

For all questions and additional information related to the ESG Report, the contact persons are:

- Nataša Obradović, Special Advisor to the Chief Executive Officer for Economic and Legal Affairs (natasao@telekom.rs)
- Zoran Karić, Environmental Protection Specialist (zoranka@telekom.rs)

The ESG Report and accompanying materials are available on the Company's official website:

www.telekomsrbija.com

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GRI	Description	Page / Comments
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. 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. 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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302-3	Energy intensity	48, 51
302-4	Reducing energy consumption	50-52
302-5	Reduction of energy needs for products and services	50-51, 55-56
BIODIVERSITY		
304	57-58 The telecommunications industry is not among the sectors with a high negative impact on biodiversity. Nevertheless, Telekom Srbija recognizes the extreme importance of preserving natural ecosystems and protecting endangered species. Accordingly, the company continuously implements and improves measures that contribute to the preservation of biodiversity within its infrastructural activities, which represents a positive impact on the environment and nature.	
EMISSIONS		
305-1	Direct GHG emissions (Scope 1)	47-49
305-2	Indirect GHG emissions (Scope 2)	47-50
305-3	Other indirect GHG emissions (Scope 3)	Currently, gas emissions are not measured within the Scope 3 category
305-4	Intensity of GHG emissions	48
305-5	Reducing GHG emissions	46-52
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions	49

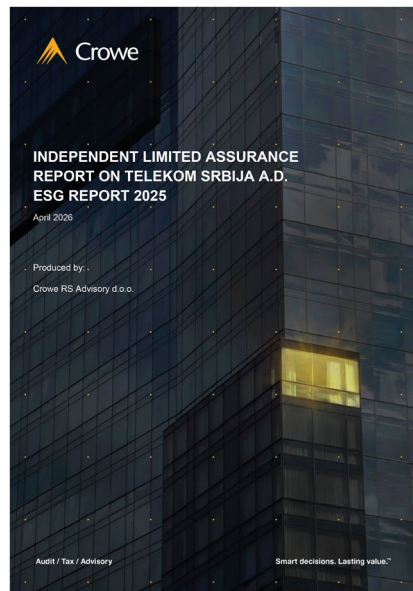
GRI	Description	Page / Comments
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306-1	Waste generation and significant impacts associated with waste	53
306-2	Management of significant waste-related impacts	53-56
306-3	Waste generated	53
306-4	Waste diverted from a landfill	53-55
306-5	Waste designated for disposal	53
ASSESSMENT OF THE SUPPLIER'S ENVIRONMENTAL IMPACT		
308	35-36 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.	
HUMAN CAPITAL MANAGEMENT		
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413-1	Operations involving local community engagement, impact assessments and development programs	77-81
413-2	Operations with significant actual and potential negative impacts on local communities	57-58, 80-81
SUPPLIERS' ASSESSMENT REGARDING COMPLIANCE WITH THE PRINCIPLE OF SOCIAL RESPONSIBILITY		
414	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.	35-36
CUSTOMER SAFETY AND HEALTH		
416-1	Checking the impact of products on the health and safety of customers	81-82
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CONSUMER PRIVACY PROTECTION		
418-1	Complaints due to non-respect of customer and consumer privacy	83-84
SOCIO-ECONOMIC HARMONIZATION		
419-1	Failure to comply with laws and regulations in the social and economic field	21, 85

Annex III. Assurance Report



INDEPENDENT LIMITED ASSURANCE REPORT ON TELEKOM SRBIJA ESG REPORT 2025

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, 2025. 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, 2025, 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 (ROs) 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.

Goran Skroboja
Partner, Audit

Crowe RS Advisory d.o.o.
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April 8, 2026

Luis Pacenza,
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2025 ESG Report

Telekom Srbija

